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Australia's Evans Speaks at Pacific Rim Forum

BK0412052195 Bangkok THE NATION in English 4 Dec 95 p A3

[Report by Rita Patiyasewi]

[FBIS Transcribed Text] — Despite Australia's resentment towards the Burmese ruling junta and its desire to see democracy flourish, Australian Foreign Minister Gareth Evans has succumbed to the realization that change would not come without a painstaking mixture of principles, pragmatism and patience.

Evans said at the Pacific Rim Forum in Bangkok on Friday that while it was important to continue to emphasize the "universality of the value of human rights", and not as a product of Western paternalism or patronization, these issues need not become major barriers to the kind of cooperative environment that countries were trying to create in the region.

"If we emphasize the universality and values, it would be easier in the long run to develop a region-wide sensitivity to it, as we can already see happening. The reasons for this were being patient and letting the process of economic liberalization translate itself into political liberalization," he said.

He cited the changes in South Korea and Taiwan from an extremely authoritarian political structure to a dramatically moderated one over a number of years as a result of "a very successful economic liberalization programme" which carried within itself their own political logic.

The minister said it was hard to sustain such strict policies once the momentum of economic process began because, in such a processes, people tend to become wealthier, and whether by education or otherwise, become more sensitive towards economic survival and less preoccupied with just looking towards the quality of their lives.

He said the people then start to demand some kind of input over decision-making that affects their lives and, thus, makes it easier to move towards democracy.

Therefore, aware of the way the dynamics operate, he suggested that the West try to be less impatient about trying to force the pace of change in Burma. However, he said that was not saying countries should not speak out against the situation in the country.

He said it was important to keep the "pot bubbling" and let the sense of universal values be made not just apparent but equally obvious.

Evans said the willingness to be patient and allow development to take place at its own pace would eventually let economic liberalization become political liberalization.

"In the past, it has been a mixture of principle, pragmatism and patience," he said.

The Australian foreign minister had on Friday cautioned ASEAN about welcoming the State Law and Restoration Council [SLORC] (as the Burmese junta is known) into its realm.

Burmese Prime Minister Gen. Than Shwe was to attend the 10 Southeast Asian nations meeting in Bangkok this month being held in parallel with the 5th ASEAN summit.

Evans' caution came as new political tension was building in Burma. Burmese democracy leader Aung San Suu Kyi has pulled out her political party from a junta-organized national convention to draft a new charter and has vowed to continue her struggle for a popular political system in military-ruled Burma.

In response, the Burmese Government revoked the status of Suu Kyi's part as a participant in the constitutional convention and suggested she was inciting the people to take to the streets.

Evans said ASEAN could exercise some leverage, especially in welcoming SLORC, because the Burmese junta were eager to gain respectability from the association.

He said Australia and other countries have little leverage because of the isolation of Burma, the traditional unwillingness to take other countries' domestic concerns seriously, and the ineffectiveness of using the United Nations to apply sanctions because of China's ability to veto.

Japan

Deregulation Talks With U.S. Start

OW0612023095 Tokyo KYODO in English 0215 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — Japan and the United States started two-day bilateral talks in Tokyo on Wednesday [6 December] to discuss deregulation measures and policy to encourage competition.

The talks cover such matters as the revision of Japan's deregulation action plan scheduled for next March, Japanese officials said.

The working-level meeting is being held as part of the Japan-U.S. economic framework talks, which are aimed at a substantial cut in Japan's external surplus and wider foreign access to Japanese markets.

The U.S. has submitted a 300-point list of requests to the Japanese Government so that they can be reflected in the revision of the deregulation action plan.

The requests include the gradual abolition of the law restricting the new opening of large-scale retail stores and the scrapping of price-fixing practices by the end of 1998.

Japan for its part plans to insist that it is internationally unacceptable for the U.S. to limit to U.S.-registered vessels only the tankers that will carry Alaskan oil abroad, the officials said. The U.S. recently lifted a ban on Alaskan oil exports.

Japanese participants in the talks come from 17 government ministries and agencies, including the Foreign Ministry and the Ministry of International Trade and Industry.

U.S. participants include officials from the office of the U.S. Trade Representative and the Justice Department.

Clinton's Nonattendance at APEC Analyzed

OW0512145895 Tokyo EKONOMISUTO in Japanese 5 Dec 95 pp 46-48

[Article by correspondent Takahiko Tsubouchi: "Demand for U.S.-Type Liberalization Rejected: That Was Why President Clinton Did Not Come"]

[FBIS Translated Text] The informal summit of the Asia-Pacific Economic Cooperation [APEC] forum came to an end on 19 November and adopted the Action Agenda and the Osaka Declaration, which chart the course of liberalization of regional trade and investment.

Fate of Old Foes

Before the Osaka Summit began, it was feared that two of the leaders would not be present. They were U.S. President Bill Clinton and Malaysian Prime Minister Mahathir bin Mohamad. President Clinton's absence finally became a reality.

Due to the offense and defense between the Republican Party demanding the federal government "balance the budget by the year 2002" and the Clinton administration rejection, it came to an impasse. It had already been anticipated in October that the budget deliberation in Congress would fall at the time of the APEC forum. The critical domestic situation was unmistakably the direct cause for the cancellation of Clinton's visit to Japan.

However, quite a few pointed out that he could have made the trip. President Clinton's absence supposedly revealed that his reelection strategy prevailed over the U.S. Asian strategy. For President Clinton, Asian diplomacy was also a tool for his reelection.

Since the disastrous defeat in last fall's off-year election, President Clinton increased defense spending as the Republican Party demanded and approved the U.S. visit of Taiwanese President Li Teng-hui, paying careful attention to foreign affairs to avoid attacks from the Republican Party. At the same time he demonstrated the stance of drawing special attention to such diplomatic successes as the Bosnia issue and the restoration of peace in the Middle East. President Clinton has consistently pursued the strategic course of expediting open markets in Asian countries and bringing about the expansion of U.S. exports there with the APEC as its stage. It was also designed so that President Clinton could make an appeal as one of his diplomatic successes.

It is assumed that he did not participate in the APEC forum, because he had concluded that the tide was turning against his attempt to appeal. If he did go to Osaka and came back without succeeding in pushing his ideas through, he would have been dealt the double blow of a diplomatic blunder and criticized that he was taking domestic affairs lightly. In fact, immediately before the opening of the Osaka summit, President Clinton received a letter from six leading congressmen of both the Republican and Democratic parties, including Republican Senator Frank H. Murkowski. It demanded that he take "resolute action to exclude from APEC exceptional measures on liberalization that had been requested by Japan and others. As it had been judged that U.S. insistence would not be tolerated, President Clinton decided not to go to Osaka.

Furthermore the role of advocating an American style of liberalization played by one of President Clinton's braintrust and the chairman of the APEC's Eminent Persons Group, C. Fred Bergsten, was decisively ending. As a matter of fact, the Osaka Declaration actually decided to discontinue the "Eminent Persons Group" by saying that "the Eminent Persons Group and the Pacific Business Forum have made important contributions to the formulation of the Osaka Action Agenda" and adding that it was "highly appreciative of the dedication and wisdom of the people who took part in the process, we congratulate them on the successful completion of their task."

The other side of this transition was the participation in the forum and active steps of Malaysian Prime Minister Mahathir, whom it had earlier been feared would not attend.

Mahathir was on record as having boycotted the informal Seattle summit that was held on the initiative of President Clinton on the grounds that "APEC, which is a loose consultative organization, is afraid to change its character into an institution under the initiative of big powers." At the informal Bogor Summit last year he attached reservations to the declaration, thus making his independent standpoint clear. This time he also did not make clear until the last minute whether he would attend the summit. At the end of October, Liberal Democratic Party's General Council Chairman Masajuro Shiokawa visited Kuala Lumpur as a special envoy of Prime Minister Tomiichi Murayama and begged Mahathir to attend the forum.

Once in Osaka, Prime Minister Mahathir said composedly at his 18 November meeting with Prime Minister Murayama, "I had long ago decided to attend the forum, but I had just wanted to play a little game of suspense," when Murayama started his conversation with the remark that he "had worried about" Mahathir's presence. He also expressed satisfaction with Japan's management, as host nation, of the forum and demonstrated his pride by saying, "my country's idea directed toward voluntary liberalization has been wholeheartedly accepted." The contrast between President Clinton, who could not participate in the Osaka forum, and Prime Minister Mahathir, who was proud of the forum's success, symbolized the diversion of APEC.

U.S. Insistence Rejected

There once was a time when the United States had prepared its own proposal against the chairman's by insisting on liberalization with compelling and binding power. However, the result was the acceptance of the chairman's proposal that paid due consideration toward the Asian countries and the developing nations.

The Osaka Declaration said, "we have chosen the unique approach of concerted liberalization grounded in voluntarism and collective initiatives by the member economies as the key means to implement the Action Agenda." At his press conference with domestic and foreign reporters after the forum, Prime Minister Murayama emphasized, "the 'Asia-Pacific formula' with its combination of 'voluntary' and 'collective initiatives' is an effective as well as realistic method to carry on liberalization in the region."

It can be said an entirely different, fresh concept of liberalization from the Anglo-Saxon type of going through "negotiation" to "working out agreements" and "sanctionary pressure" has been loudly declared. In this process, Malaysia has played a rather significant role.

On 15 November the Association of South East Asian Nations [ASEAN] held a joint meeting of economic and foreign ministers at an Osaka hotel. At this meeting Datin Seri Rafidah Abdul Aziz, the Malaysian minister of international trade and industry, proposed that the ASEAN work to include the principle of "voluntarism" and "nonbinding character" in the preamble of the Action Agenda. Although the proposal was shelved, Rafidah told the press after the meeting that "confirmation of" the Action Agenda as being of a "nonbinding character is necessary." At the 17 November APEC ministerial conference he insisted on this idea, and the scheduled time of deliberation had to be extended as a hot debate ensued with the United States and other countries. In the long run, U.S. opposition was rejected, and the joint statement included a passage saying that "the ministers agreed that the proposed Action Agenda embodies our voluntary commitment and political will to achieve the objectives set by the economic ministers at Bogor."

It was a significant attempt to make it public that initial action will be pursued in accordance with the voluntary liberalization policy. In comparison to the United States, which did not commit to lower tariffs, most developing nations unveiled positive measures.

For example, China will slash more than 4,000 tariff lines by no less than 30 percent and eliminate import control measures, including quotas and licensing on about 170 tariff lines in 1996. Brunei will slash 4,329 tariff lines, and Malaysia 1,047 tariff lines in advance.

Not only in the developed countries but also in ASEAN and China, the understanding that liberalization and deregulation result in growth is gaining strength. However, it seems to be true that they also want to make liberalization a controllable one.

This wish is especially strong in countries like Malaysia that have a firmly established industrial policy. All developing nations are interested in how to balance liberalization-deregulation and the role of government in working out industrial policies. In contrast, the United States and Australia are in support of "the early realization of liberalization at all costs." Their idea seems to be based on the thought that market economy is everything.

In the final analysis, in the background of the confrontation between the United States and Malaysia is a tug-of-war between the U.S./European-type panacea and an Asian-type model. Admitting as natural that economic growth reduces the latitude for the application of industrial policies, there still remains a major difference between whether "they are left laissez faire" or "a certain degree of government intervention should be maintained."

Prime Minister Mahathir's resistance is not merely aimed at gaining a free hand in the Malaysian economy. As the active spokesman for the developing countries, Mahathir is eyeing not only ASEAN members but also developing countries at lower stages of economic development. As he cares about developing countries preparing to takeoff, he seems to want to apply the brakes on pressure for hasty liberalization. (Please refer to my book "Mahathir, A Hope For Restoration of Asian Rights," published by Aki Shobo.)

Asian Countries Regained Leadership

The United States was not only thwarted in its effort to stem the tide for voluntary liberalization but also in pushing through its insistence on (comprehensive trade liberalization) nonexclusion in liberalization.

At first, Japan, the ROK, the PRC, and the ROC maintained the position of protecting domestic agriculture and called for flexibility. Then Malaysia came to their rescue. On 13 November, immediately before the opening of the forum, Malaysian Prime Minister Mahathir made his position clear that he would go along with Japan, which had been demanding exceptional treatment, saying that "Japan should be given a deferral on opening its agricultural market, and no ASEAN members can insist on what should be done."

As a result, a paragraph has been inserted into the Action Agenda to the effect that "in consideration of differences in stages of economic development among APEC members and the variety of circumstances for all of the APEC members, flexibility in the process of liberalization and facilitation is to be allowed in dealing with various problems arising from such circumstances."

Thus, the United States was compelled to compromise on the principle of nondiscriminatory application of the results of liberalization on all APEC participating as well as nonparticipating countries. The U.S. at first called for reciprocity to prevent the EU and other from getting a free ride, but the proposal was rejected. The declaration expressed its opposition to a trading bloc and emphasized "taking the lead in strengthening the open multilateral trading system."

On the application of the principle, Japan's mediation succeeded in settling the furious confrontation between the United States and the PRC. Although it is ambiguously expressed that "APEC members will make efforts to apply or to try to apply the principle of nondiscrimination between two countries and among a number of member countries in the process of trade and investment liberalization and facilitation," Japan succeeded in persuading the two countries compromise.

At this APEC forum, the United States failed to push through its proposal on liberalization, and the course for liberalization pursued since the Seattle forum was adjusted.

Japan, which regards "economic and technical cooperation" as another important pillar along with the two other pillars of trade and investment liberalization and their facilitation, proposed to set up a Partners for Progress [PFP] mechanism and won agreement. It became a big prize of development cooperation for many of developing nations participating in the APEC.

At first the United States criticized the idea, because the mechanism was not clear. The United States said, "APEC has already been engaged in economic cooperation, and the meaning of setting up a new mechanism is incomprehensible." It added that "the share of roles with already established organization is unclear." The idea was refined and was inserted in the appendix of the ministerial declaration.

The PFP is an idea in which all the countries and regions, including developing countries, pool their available technical knowhow and funds to provide to countries and regions requiring such assistance. This is different from yen credits, which a developed nation unilaterally gives to assist developing countries. Japan officially announced that it will contribute 10 billion yen to the APEC fund for the purpose of propelling the PFP concept forward.

Through the declaration, it was agreed that APEC will deal with the demand for food and energy and the pressures on the environment. Thus an APEC oriented to trade liberalization has come to take up these wide-ranging issues in order to secure the region's sustained economic prosperity.

The Asian countries have thus recaptured the APEC's initiative. It is worth noting how the United States will try to make a comeback before next year's informal Manila summit.

Murayama Orders Lawsuit Against Governor Ota

OW0612083595 Tokyo KYODO in English 0823 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — Prime Minister Tomiichi Murayama on Wednesday [6 December] ordered a lawsuit filed against the governor of Okinawa demanding that he reverse his refusal to sign documents needed to force local landowners to renew leases of their land to U.S. military bases.

The lawsuit is likely to be filed with the Naha branch of the Fukuoka High Court as early as Thursday, government officials said. It will be the first lawsuit by the central government against a prefectural governor concerning administrative responsibilities.

It comes as a final step after Murayama on Tuesday received a letter from Okinawa Gov. Masahide Ota rejecting the premier's order to sign documents necessary for land leases in place of reluctant landowners, following Ota's earlier refusal of Murayama's milder "recommendation" that the governor sign.

Lawyers for the prefectural government are preparing to fight the case using constitutional arguments against the forced land use.

The documents which Murayama ordered Ota to sign are for the rental of a total of 35,000 square meters of land owned by 35 antimilitary landowners.

Of these leases, the contract on a 226-square-meter lot at a U.S. Marine communications facility in Yomitan, north of the Okinawa prefectural capital of Naha, will expire at the end of next March.

The central government could be forced to secure the use of that land by resorting to a special legal provision covering emergency use of land for U.S. forces, since an early outcome to the lawsuit is not guaranteed.

If Ota refuses to follow a court order to sign the documents, thereby forcing Murayama to sign them himself, further legal wrangling could last for months.

Ota's refusal is widely backed by residents of Okinawa, who have increasingly called for a reduction in U.S. bases there following the rape of a local schoolgirl Sept. 4, for which three U.S. servicemen are on trial.

Okinawa, about 1,600 kilometers southwest of Tokyo, is home to some 75 percent of U.S. military facilities in Japan. The prefecture accounts for just 0.6 percent of the nation's land area.

Expert Discusses Security Alliance With U.S.

OW0612101595 Tokyo HATSUGENSHA in Japanese Dec 95 pp 52-59

[Article by commentator/international relations specialist Yoichi Masuzoe: "Japan's Cards in the Japan-U.S. Security Pact"]

[FBIS Translated Text] Arguments over the Japan-U.S. Status-of-Forces Agreement [SOFA], which resulted from the rape of an elementary school girl by U.S. soldiers, appear to have more or less settled down after the U.S. Forces agreed to improve upon the application of SOFA. In the pros and cons exchanged during this time, some people have insisted that SOFA needs to be revised, and some have even said the entire security treaty should be terminated. In the end, however, the matter was settled in a very appropriate manner, with the U.S. Forces agreeing to interpret the agreement more carefully than before. If I am asked to give my view, I will say that the essential part of the issue remains as much unresolved as ever. I must say the whole matter has been treated in a rather emotional manner throughout. I think people should have thought a little more about the cold reality of the current situation in their debates. Had they done so, they would have realized that this matter actually involves something that the country needs to discuss urgently. If they had done so, they would not have talked thoughtlessly about revising SOFA or spoken so emotionally about terminating the Japan-U.S. security treaty.

Laws and ordinances are the basic rules that govern human society, but, sometimes, people depart from these rules. Sometimes when the rules do not fit the times the people live in, they are amended. The same can be said of the treaties and agreements that govern international relations, and it is always possible to amend or terminate treaties or agreements when they are found to be inappropriate for the reality of the times. But it is not right to say — as some newspapers do — that SOFA should be terminated now because its content is unfavorable or that the U.S. military bases in Japan should be removed because these bases are the cause of problems. The United States has similar status-of-forces agreements with the ROK and Germany, and those agreements are not conspicuously different from the one concluded with Japan, even though there may be some differences in details like those on whether or not suspects can be questioned by local police before they are formally indicted. Of course, there may also be some differences in nuances [preceding word in English], but basically, one cannot say the agreement with Japan is less fair than the agreements with other countries. If the Japan-U.S. agreement is unfair — as newspapers and others contend, this is tantamount to saying that the United States' agreements with Germany and the ROK are also unfair.

First, we should know that the troops of an allied country who have been admitted into that country on security missions should naturally receive "special treatment." If Japan's Self-Defense Forces [SDF] troops were sent to a foreign country, these SDF troops should be given "special treatment." For instance, let us say that the SDF sent troops to Cambodia to perform peacekeeping operations (PKO) under UN control, and that, unfortunately, some SDF members were involved in a case of violence. In such cases, it would not be the Cambodian police, but the UN authorities who would act first. First, there would be an action by the UN authorities, and later, the Cambodian police would come. This is particularly the case when the troops are sent to a country where a state of war has been continuing for some time and it is questionable if that country's legal system is functioning properly. In such a situation, it would sometimes be difficult for Japan to say that we will hand over Japanese suspects to local police.

The reality is that when a country allows troops of an allied country or any other country to enter, that country intends to give special treatment to the troops. We must think very calmly here. Basically, "special treatment" of allied troops is common sense, which has nothing to do with the question of whether this treatment is good or bad. If we cannot understand that to begin with, debates are bound to get emotional.

Of course, in the case of such an extraordinarily stupid incident as the rape of an elementary school girl — as in the recent case — public wrath is bound to be much greater, and that is understandable. It is also understandable that emotional arguments can dominate the debates. But, we still must admit that when troops were invited into the country based on the alliance relationship, there was an assumption that they would be more or less "treated specially" and that there would be a risk of it appearing to be "unfair."

The Illusion That the Japan-U.S. Security Relationship Will Never End

Except for some who got too emotional in arguments, the recent incident has been dealt with as an issue of whether SOFA should be amended or interpreted differently. As long as we see it as a legal issue, that position may be appropriate. But, if we want to look beyond that, it becomes clear that this is essentially an issue concerning the Japan-U.S. alliance relationship or the Japan-U.S. security treaty. Therefore, the right way would be to view it as a security issue.

But I am not going to call for the termination of the Japan-U.S. security treaty, insisting — as some people have — that if we did not have it, there would not have been such incidents of violence as seen recently or that SOFA is unfair to Japan. Nor can I agree with the view often expressed by some newspapers that Japan should take this as an opportunity to terminate Japan-U.S. security ties. All that I want to say here is that, with everything considered, Japan should seriously start discussing the time when the Japan-U.S. security system will actually cease to exist.

Strangely enough, ever since the Japan-U.S. security system was first established, the Japanese have lived under the illusion that this alliance will last forever. Not only the Liberal Democratic Party [LDP], which has insisted that security ties should be maintained, but also the Social Democratic Party of Japan [SDPJ], which has always opposed the security system, have thus far acted on the assumption that the Japan-U.S. security treaty will never disappear. The SDPJ has objected to the Japan-U.S. alliance, but has never proposed that Japan enter into a military alliance with the Soviet Union. Nor has it thought about Japan establishing a security system with China. Indeed, the reason why that party has called on Japan to disarm itself and to become a neutral state is because they believe the Japan-U.S. security treaty will not go away however hard they may complain about it.

To speak from the common sense of the international community, formulating international diplomatic strategy without considering alliances with other countries is unthinkable. Alliances are not something that last forever. The Anglo-Japanese alliance concluded in 1902 is an example. Japan, which had won the Sino-Japanese war, gambled on the Anglo-Japanese alliance against intervention by Russia, Germany, and France, and survived the Russo-Japanese war. But the Anglo-Japanese alliance was dissolved by the Washington Treaty of 1922. Even before the Anglo-Japanese alliance was terminated, Japan had held trade talks with Russia to improve a relationship that had been strained following the Sino-Japanese war, and efforts had been made to conclude a treaty with England. [sentence as published] If we look back on history, it becomes clear that the Japanese of those days were much more flexible in their actions than the Japanese of today. In international diplomacy, foreign countries can be viewed very much like chess pieces; a country must think flexibly about what kind of relationship it should have with which countries. In post-war Japan, however, no thought has been given to that matter. It can be said that Japan has stopped thinking about anything else, believing that the Japan-U.S. security system will last forever. Now, we must stop thinking that way. That is what I want to stress here.

The current Japan-U.S. security treaty is written so that either of the two parties — the United States or Japan — can terminate it if it so chooses. The Japanese, who believe the security system can last forever, will only be dumbfounded if the situation changes and the treaty ends up being scrapped. In diplomacy, it is only natural that a country should have many cards to play with in anticipation of various situations. It is only normal that a country should try to move negotiations in a way favorable to itself by suggesting to other countries the possibility of using one of the cards, if necessary. But Japan does not even have one card to use in bluffing if the United States comes out saying it will terminate the treaty. Japan has no useful bargaining cards, whatsoever — for instance, threatening to ally with China or to move to ally with Russia, even if and when the United States says it will terminate its alliance with Japan. At present, even those who speak loudly against the Japan-U.S. security system do not agree with Japan tying up with Russia or China. The best they can do is to run away from the question, saying Japan can turn to the United Nations.

But we can see how powerless the United Nations is just by looking into the history of how UN envoy Akashi was chased out of Bosnia. The United Nations is powerless, and that is why it was unable to resolve the conflict in Bosnia-Herzegovina. What brought the country to a truce eventually was NATO's military power. If we recognize this cruel reality, we can see the fallacy in thinking that security can be maintained by building up trust around the United Nations.

In the end, if the United States starts to talk about terminating the Japan-U.S. security treaty, the only thing Japan can do will be to have its own nuclear arms. If the Japan-U.S. security system is scrapped, there will be no other choice for Japan but to do this. Even if Japan is left out of the U.S. nuclear umbrella, it cannot simply get under the umbrellas of Russia or China. Some people still engage in emotional arguments, saying Japan's cities of Hiroshima and Nagasaki were bombed with nuclear arms during the war and that Japan is the only nuclear-bomb victim country in the world. If we think rationally, however, nuclear armament will be the only alternative left for Japan. Given the stark reality of nuclear strategy governing the world, if we seriously want to discuss defending Japan militarily, we are bound to arrive at the judgment that Japan must be armed with nuclear weapons. If we study the matter very seriously, we will come to the conclusion that there is no other way but to have nuclear arms.

In such a context, I must say Finance Minister Masayoshi Takemura's journey to the Muroroa Atoll to protest France's nuclear tests was thoughtless indeed. Japan looks safe to other countries only because it is under the U.S. nuclear umbrella. We cannot say anything if someone asks why it is wrong for France or China to have their own nuclear arms. The reason nuclear-armed countries do not attack or threaten Japan is because it is under the U.S. nuclear umbrella, not because these countries love the Japanese. No one thinks these countries do not attack or threaten Japan because it has kabuki or a Sumo Wrestling Association that complains about nuclear tests.

Trends in the U.S. Congress and News Organizations

Up to now, I have pursued my discussion on the assumption that the United States can decide to terminate the security treaty. However, many people would consider this assumption unrealistic. These people would think the United States needs the military alliance with Japan and that this will never change, even after the end of the Cold War. However, in my opinion, this way of thinking is too easy-going and dangerous.

Of course, I do not think the end of the Cold War has changed all the conditions. The United States will need to maintain some degree of strategic presence in the Far East. However, the United States does not act on strategic grounds only. Actually, we need to realize that the United States is now very nervous [kiwamete shinkeishitsu] about Japan.

To begin with things very familiar to us, we must note that the living standards of U.S. soldiers in base towns, whether Yokosuka or Yokoda, are extremely low. U.S. soldiers have to live with a gap in living standards while in Japan, a place they never volunteered to come to. Their discontent is growing. If they go into town for a drink, they can only drink cheap liquor, while the Japanese, whom they are supposed to be defending, help themselves to expensive liquor and delicious food. We can say it is only natural that they should wonder why they have to shed their blood to defend these thankless Japanese people.

We can sense the same kind of discontent even from the educated class in the United States. The assertion that Japan is "a free rider, an easy rider, or a cheap rider" — an assertion that has persisted for some time — remains as strong as before. They ask why the United States should defend a country that boasts its economy is at a higher level than that of the United States. They also note the growing economic friction with Japan. Of course, Japan provides 475.7 billion yen annually to the United States to maintain the U.S. forces here. The figure totals 625.7 billion yen if the leases on public land used by U.S. forces are included. Also included in this amount is 273.107 billion yen to help pay for U.S. military personnel in Japan, funds that come out of Japan's so-called "consideration budget." If the United States does not want to station its troops to Japan, we may be able to say we can do without them. We could argue that Japan should have its own nuclear arms if they leave. However, we must realize that there is growing opinion in the United States that it should pull its troops out of Japan.

One reason I was concerned about the Japanese making emotional complaints over the incident this time was because I could see the possibility that this view will get tougher in some quarters of the United States. If the U.S. Congress and news agencies start thinking negatively about continuing the U.S. alliance with Japan, it is quite possible that Japan will be driven into a difficult position. The Americans could think that, with the Soviet threat they had no choice but to ally with Japan thus far, but with the Soviet Union now gone, they can start to think about promoting relations with China. If the view that Japan can do as it pleases starts to prevail in the United States, there is no guarantee that it will not pull its military bases out of Japan just as easily as it pulled out its fleets from naval ports in the Philippines. If that happens, base issues such as those related to Okinawa and Yokoda will never occur, however what will then happen to Japan's security? Japan has given no thought to this. If this happens, the nation will doubtless fall into a panic.

Of course, I am aware that pros and cons have been bantered about — for such a long time in the past — over which country benefits more from the Japan-U.S. security treaty. Some have said that because the treaty was formed for the convenience of the United States, Japan has nothing to gain from it. However, if we think about and study it calmly, we can see that the current Japan-U.S. Security Treaty can work only as long as Japan has Article 9 in its Constitution. In other words, under the treaty, the relationship clearly cannot be a mutual one, as it would be under a normal alliance.

For instance, if a part of Japan's land comes under foreign attack, the United States will come to help Japan, but if a part of the U.S. mainland comes under attack from another country, there is no way for Japan's SDF troops to go to the United States to help. In that treaty, the presence in Japan of the U.S. forces — including nuclear arms — is the basic premise, and it is a fait accompli that Japan's security policy stands on that premise. I do not refute the fact that the present Japan-U.S. security pact is a treaty concluded following Japan's defeat in the war and that Japan being the vanquished in the war, the treaty was written unfairly just as the one with Germany was, and that the unfairness was carried into the SOFA — the agreement that has been the subject of dispute this time around. However, what we must consider at this time is not the question of who gains more from the treaty, but rather who will suffer more if the treaty is terminated.

To our regret, I must say, the country which will suffer more from the termination of the Japan-U.S. security treaty is Japan, and not the United States. If the security pact gets scrapped, the United States will not be able to use military bases in Japan, but still will not have a major problem. That country will be compelled to make some changes in strategy, but it can remove the military bases to the Philippines, for instance, or can lease territories of some other Asian countries to remove them to, if necessary. Anyway, it will not matter much to the United States as long as it can have its Seventh Fleet cruising in the Far East.

On the other hand, for Japan, it will mean forsaking the U.S. umbrella. Japan will be left out of the U.S. security network in the Far East and will become vulnerable to the military tensions of the countries surrounding it. Once that happens, even if Japan hurries and comes up with a nuclear arms deterrent on its own, that will not scare the United States at all. Contrary to it, Japan — without any diplomatic cards to play with — will fall further into isolation from this world.

Japan-U.S. Trust Relationship and Post-Japan-U.S. Security System

Let's do some simple mathematics here. As I mentioned earlier, Japan is now providing more than 60 billion yen in funds to maintain the U.S. forces in Japan. The American troops stationed in Japan are said to number a little over 40,000. Simple calculations show about 15 million yen is spent for each of the American soldiers. This amount includes all the expenses for maintaining tanks, aircraft, or even aircraft carriers that come with the soldiers. Now, let's say my life is threatened by a group like the Aum Shinrikyo cult, and I need to employ a bodyguard to protect myself from it. I do not think I can do that with an annual budget of 15 million yen. If I talk from the viewpoint of global common sense and if I may dare to compare the U.S. troops with mercenaries, there cannot be cheaper mercenaries. France has its Foreign Legion formed from mercenaries. While France has to supply all the equipment and arms needed for them, the country cannot find recruits to join that group unless it offers fairly high pay. As such, in a way, we can even say that the presence of the Japan-U.S. security treaty enables stationing of troops in Japan at unusually low costs. In order to preclude any misunderstandings here, of course, I must note that it is inappropriate to calculate the value of military alliance monetarily. Nor do I wish to call the American soldiers "Messrs. Watch Dogs" as someone does. All that I am saying is that if someone wants to do a mathematical calculation to measure gains and losses from the military alliance, then he will arrive at this result.

As I have stated thus far, the problem is the trust relationship between Japan and the United States. My certain feeling is that the recent Japan-U.S. relationship is not headed in a desirable direction. In the international relations involving Japan and the United States, the toughest areas are the Korean peninsula situation and the issue of restoring Japan-U.S. trust relations including the Japan-U.S. security system. The situation of the Korean peninsula, including the question of what will become of the Kim Chong-il system, is still very uncertain, and almost anyone can see that the situation there presents a great threat to the security of Japan and the United States. But in the meantime, people tend to forget that Japan's relationship with the United States remains very delicate in spite of the fact that this relationship is so important for the security of Japan. How should the Japan-U.S. relationship proceed? Some people say this relationship is like that of a married couple, and "the couple fights all the time but will not get divorced." As an analogy, this may be a good one. However, if someone were to ask me my opinion, I would point out that this relationship is between two countries and is rather different from that of two individuals. As the two nations are getting to know each other more and more, friction between them is also growing. Some say that is evidence of a close relationship, but I think that argument is too optimistic.

I feel that we need to pay more attention to the problem of current economic friction. I do not see an end to it. At first, textile goods were the cause of the friction; then automobiles were. Autos were followed by sheet glass products. Then new friction flared up over technology involving telecommunications. Now this economic friction is transforming into cultural friction, getting structurally fixed in the minds of Americans, and this is providing the grounds for them to say that Japan is idiosyncratic.

Things were not so bad when Japan looked powerful and the Japanese were confident — as in the days of Japan's bubble economy. In those days, some countries might have complained; but Japan had a good economic record, so it was able to get its way even if it meant buying resentment from other countries. Once Japan started to fall and a series of financial scandals like the one involving Daiwa Bank erupted overseas, other countries started to look at Japan differently. In the past, they thought Japan was despicable but had lots of money. Now a growing view in the United States is that Japan is a troublemaker that upsets the world economic order.

What makes the U.S.-Japan relationship more delicate is the question of what relationship Japan should have with Asia. Some Japanese say Japan should leave the United States and join Asia. They assert that since the new era of Asia is beginning, Japan might as well abandon the United States. Such an assertion is not only mistaken but very dangerous. The folly starts in asking whether Japan should choose the United States or Asia. What concerns me particularly is that among those who talk about this new Asian doctrine are former fanatic followers of left-wing ideology who, having nowhere to go now, are trying to find a new outlet for themselves. To begin with, throughout the modern history of Japan since the Meiji era, there has never been one instance of things going well for Japan when it tried an Asian doctrine. Of course, these days we have experts who really understand Asia, so we are in a better position to know Asia than before; but an Asian doctrine that comes from an anti-U.S. or left-wing ideology will only hurt the Japan-U.S. relationship and mislead Japan.

Last, I must note that there still are people who say that in the post-Cold War world, no country will attack Japan and so a military alliance is no longer necessary. I must say such a view is thoroughly thoughtless. All we have to do is to take a look at Russia. Sure, the Soviet Union of the Cold War days is gone, but we can see that the militarily mighty Russia has not disappeared from the globe. Furthermore, a force fast gaining power in Russia is a political party called the Russian Joint Front, an ultra-right nationalistic political group of soldiers. Public support for the group is growing, helped by the decline of President Yeltsin's ruling party and the deterioration of Zhirnovskiy's Russian Liberal Democratic Party. We must see that such a political party, strongly supported by the military, could eventually take over power in Russia. We must also recognize that the military balance in the Far East is far from stable.

Besides, even the current Yeltsin government is getting increasingly militaristic, as seen in attacks on Chechenya. Czechoslovakia and Poland want to join NATO, but Russia has announced it will deploy nuclear weapons on its borders if they do. The Yeltsin government has even declared that if the three Baltic countries join NATO, Russia will advance on them the same day. Although the people who must rely for information on the mass news media's dreams of peace have no way of knowing if military tensions exist in many places. Disputes in negotiations over Bosnia are getting particularly heated. NATO and Russia can be said to be in a state of confrontation. The world is not in an era of peace.

I will repeat. Certainly the meaning and position of the Japan- U.S. security treaty have changed since the end of the Cold War. But we must not speak so easily about terminating the treaty when Japan is not prepared to do so. Above all, we must not thoughtlessly remark that all military threats to Japan are gone. Japan needs to take good care of its delicate relationship with the United States. On the other hand, Japan needs to hold discussions based on the assumption that the Japan-U.S. security arrangement will eventually end and start making discreet but thorough preparations for that time.

Editorial on U.S. Special Operations Exercise

OW0512131495 Naha RYUKYU SHIMPO in Japanese 3 Dec 95 Morning Edition p 3

[Editorial: "Caution Should Be Taken Against U.S. Forces' Special Operations Capability"]

[FBIS Translated Text] The roles and functions of U.S. military bases on Okinawa can be inferred by closely observing the training practices of U.S. forces.

The U.S. Marine Corps on Okinawa is reportedly planning midnight assault training involving blank-fire rifle exercises at White Beach in Katsuren Town on 5 and 6 December. The exercise will be conducted by 75 Marines of the 31st Marine Expeditionary Unit, which has special operations capability (SOC). The Marine Corps in general is designed for special operations, but the exercise is noteworthy as an operation by the SOC unit. The exercise tells us how much importance U.S. Forces on Okinawa attach to SOC.

White Beach is a port of call for nuclear-powered submarines and warships, but this is the first time U.S. Forces have announced the schedule for a nighttime amphibious exercise. In the exercise, marines on an amphibious transport ship off the beach will conduct an amphibious assault operation in darkness, using small landing boats.

A U.S. Forces bulletin mentioned utilization of night-vision goggles in a "nighttime mission" conducted during "Foal Eagle" exercises by U.S. Forces Korea. Special operations training is carried on even at night, and U.S. troops on Okinawa conduct such training daily, out of sight of the Okinawan people. We should note that U.S. special operations are carried out under highly confidential conditions. The Japan-U.S. agreement on prior consultations on missions by U.S. Forces Japan exists only on paper. As seen in the Vietnam and Gulf wars, U.S. Forces Okinawa freely sent troops to regional conflicts without the consent of the host nation. The prior consultation principle was set to prevent Japan from getting involved in wars, but it has been reduced to a mere shell.

When U.S. Forces Okinawa were directly involved in conflicts overseas, lamentably, the Japanese Foreign Ministry always said the involvement was just "transportation of troops." Under such circumstances, it is difficult to say Japan is a full-fledged sovereign nation.

The 353d Special Operations Group [353SOG], equipped with MC-130 aircraft specially designed for special tactical missions, has stayed at Kadena Air Base since the closure of Clark Air Base in the Philippines, when the Air Force press section explained that the 353SOG would be here for "temporary stationing." No "expedient" can justify calling more than three years' stationing "temporary." In addition, the Army Special Forces Group and the Navy Seals are also stationed on Okinawa. We should be wary of moves by the Army, Navy, Air Force, and Marine Corps to enhance SOC.

U.S. Ship Fails Required Channel Use Report

OW0512142195 Tokyo KYODO in English 1407 GMT 5 Dec 95

[FBIS Transcribed Text] Yokosuka, Japan, Dec. 5 KYODO — A U.S. Navy ship passed through the Uraga channel leading into Tokyo Bay on Sunday [3 December] without a prior report to the Maritime Safety Agency (MSA) as required under Japanese law, the MSA headquarters in Yokohama said Tuesday.

The 39,967-ton Belleau Wood, an assault landing ship usually deployed at the U.S. Navy's Sasebo Base in Nagasaki Prefecture, passed through the channel to make a call at the Yokosuka Base in Kanagawa Prefecture, MSA officials said.

Because the channel is narrow and has many ships passing through it, the Maritime Traffic Safety Law requires any vessel with a length of 200 meters or longer to make a report to the agency 24 hours prior to the scheduled passage. The law applies to all ships, including those of the U.S. Navy.

The Belleau Wood, with a length of 254 meters, has been deployed at the Sasebo Base since 1992.

The agency has asked the United States, through the Foreign Ministry, to abide by the law, officials said.

APEC To Begin Working Out Action Agenda

OW0612131195 Tokyo KYODO in English
1040 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — Senior government officials of the Asia-Pacific Economic Cooperation (APEC) forum will hold an informal meeting in Singapore on Friday [8 December] and Saturday to start working out the so-called action agenda, a set of trade liberalization guidelines, sources at the Foreign Ministry said Wednesday.

APEC members at their ministerial meeting and informal summit in Osaka last month agreed to present concrete liberalization plans to their ministerial conference to be held in the Philippines next year.

The coming Singapore meeting will discuss ways of working out the action agenda and the question of a freeze on the admission of new members, the sources said.

Japanese participants in the meeting will include Toshinori Shigeie, an official in the ministry's Economic Affairs Bureau, who will act in place of Hiromoto Seki, ambassador in charge of APEC, the sources said.

Last year, APEC set the year 2020 as the deadline for its members to liberalize trade and investment, with industrialized members required to achieve liberalization by 2010.

Tokyo, Beijing May Hold Security Talks in Jan

OW0612104395 Tokyo SANKEI SHIMBUN
in Japanese 5 Dec 95 Morning Edition p 2

[FBIS Translated Text] On 4 December, the Japanese and Chinese Governments firmed up a plan to hold a "Japan-China security meeting" in Beijing next January to exchange diplomatic and defense authorities' opinions on improving the clarity of military information and security in Northeast Asia.

At the meeting, Japan will call on China — which insists that the comprehensive test ban treaty (CTBT) should allow certain nuclear tests as exceptions to the ban — to cooperate in concluding the treaty by the end of this year. It seems that in addition to repeatedly calling for a ban on nuclear testing, both countries will also exchange opinions on the Korean peninsula situation.

Moreover, it is possible that both countries may discuss resuming personnel exchanges between top-level defense officials, which were suspended due to the Tiananmen incident. The last visit to China was that of former Defense Agency Director General Yuko Kurihara in 1987.

In addition to the Asia bureau chiefs from the Japanese and Chinese Foreign Ministries, section chiefs from the Ministry of Foreign Affairs, the Defense Agency [DA], and the Chinese Ministry of National Defense; and the DA's extra-ministerial bureau officials (DA brass) are scheduled to attend the security talks.

The first "Japan-China security meeting" was held in March 1993. The upcoming meeting will be the third of its kind. At past security meetings Japan asked China to stop its nuclear testing and publicize its defense white paper.

Tokyo Ready To Offer Technical Aid to Manila

OW0612061895 Tokyo KYODO in English
0401 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — Japanese Finance Minister Masayoshi Takemura said Wednesday [6 December] that Japan is ready to provide the Philippines with technical assistance to improve the country's financial and monetary systems, Finance Ministry officials said.

Takemura made the offer at a meeting with Philippine Finance Secretary Roberto de Ocampo, who is in Tokyo to attend the two-day Multilateral Aid Initiative (MAI) conference starting Thursday, the officials said.

The MAI conference is an annual meeting of nations supporting the Philippines.

Takemura did not elaborate on the possible technical aid, only telling de Ocampo that Japan is ready to help Manila work out its long-term economic program through 2025 with regard to the fiscal and monetary aspects, the officials said.

Appreciating the Philippine government's efforts so far to accelerate the economic growth and to hold down inflation, Takemura told de Ocampo that he expects the country's economy will further grow through fiscal and tax reforms, the officials said.

De Ocampo told Takemura that manila is making efforts to invite more Japanese private investment, they said.

Manila can be a strategically valuable partner for Japanese companies, de Ocampo was quoted as saying.

Subcommittee Urges Benchmarks in Deregulation

OW0512141595 Tokyo KYODO in English
1345 GMT 5 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 5 KYODO — A government panel's subcommittee calls for an early introduction of benchmarks to measure the progress of deregulation in Japan, according to a subcommittee report portion obtained by KYODO NEWS SERVICE on Tuesday [5 December].

The report is to be adopted by the subcommittee of the government's administrative reform committee on Thursday.

In the report's introduction, the subcommittee says specific benchmarks will make it easier for the public to understand the deregulatory flow.

"We hope for an early establishment of benchmarks that can be actually used when discussing deregulation," the report says, noting that further comprehensive study needs to be made on government deregulation, including comparison with other countries from a macroeconomic viewpoint and from an industry basis.

At the same time, however, the report notes it will be difficult to make generalized measurements on deregulation and to set simple numerical targets.

As its principal target, the subcommittee calls for a smaller government that is open to the international community, a public that is individualistic, independent and free, and a society where many types of values can coexist.

It also notes the importance of doing away with bureaucratic practices that are based on misgivings toward letting the public sector take the initiative.

Market mechanisms and self-responsibility should be practiced, and strict penalties imposed on companies that break the rules, it says.

The report sounds a pessimistic note, however, on boosting the scale of the Fair Trade Commission, saying that it "hopes for maximum results from a slim organization."

Takemura Says Housing Lender Scheme Delayed

OW0612095095 Tokyo KYODO in English
0639 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — Formulation of a scheme to liquidate beleaguered housing loan companies may be delayed into next week, Finance Minister Masayoshi Takemura said Wednesday [6 December].

"It is still not known whether we can finalize our draft scheme by the end of this week," Takemura told a news conference.

"It is difficult to put together specific figures and measures all at once" to clear the massive bad loans of the housing lenders, he added.

Last Friday, the ruling coalition urged the Finance Ministry and the Agriculture, Forestry and Fisheries Ministry to reach consensus by the end of this week on ways to share between two warring parties — banks that founded the housing lenders and farm-related financial institutions that invested in them — the financial burden of the expected dissolution of seven of Japan's eight mortgage companies.

The two parties do not appear ready to budge in negotiations to devise the disposal scheme.

"I will meet the farm minister when the time is ripe," Takemura said, but said it is still uncertain whether the meeting will take place by the weekend.

Guidelines mapped out by the ruling coalition for the disposal of the housing lenders met a sharp reaction from founder banks which say the agricultural sector has been too greatly favored.

Keidanren's Toyoda Says Economic Recovery Coming

OW0612124095 Tokyo KYODO in English
1106 GMT 6 Dec 95

[FBIS Transcribed Text] Fukuoka, Dec. 6 KYODO — An influential business leader said Wednesday [6 December] economic recovery looms owing to the stable foreign exchange market and the government's stimulus package.

Shichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), made the observation at a news conference in Fukuoka on Japan's southwesternmost main island of Kyushu, where he is visiting for consultations with local business leaders.

"The stern economic situation remains unchanged, but a bright outlook looms ahead as a result of a stable foreign exchange market and about 14 trillion yen worth of economic measures," he said.

Toyoda, who is chairman of Japan's top automaker Toyota Motor Corp., stressed the need for restructural reform of the economy for a full-fledged recovery.

"It is an urgent task to promote comprehensive tax reform and economic deregulation," he said.

Toyoda said the federation will work on the government to support construction of an international airport on Kyushu for which local officials have set up a special panel to select a location.

Discussion Begins on New 5-Year Defense Plan

OW0612044995 Tokyo KYODO in English
0422 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — The government began discussions Wednesday [6 December] on drafting of a new midterm defense plan for the five years beginning April 1, 1996, a top government spokesman said.

The Ministerial Security Council of Japan, led by Prime Minister Tomiichi Murayama, met in the morning at the Premier's Official Residence to draft the five-year plan following the adoption Nov. 29 of Japan's new defense policy, Chief Cabinet Secretary Koken Nosaka told a press conference.

During the meeting, Defense Agency officials briefed council members on the agency's basic ideas for the five-year program and its plan for deploying next-generation support fighters (FSX) and introducing aircraft to fuel the fighter planes in flight, he said.

The agency also proposed that the five-year program should include Japan's bearing the cost of U.S. forces stationed in Japan, but also cutbacks in U.S. bases in the southernmost Japanese prefecture of Okinawa. It said it should also include research on the Theater Missile Defense (TMD) system, government officials said.

Finance Minister Masayoshi Takemura questioned the cost of the defense program, saying expenditure on the plan should be restrained due to Japan's tight financial situation, according to the officials.

Takemura said a large sum of money is needed for the FSX planes and the government should carefully study the necessity of planes to fuel them in the air. He also questioned the usefulness of the TMD system, the officials said.

Defense Agency Director General Seishiro Eto replied to Takemura that the production of the FSX planes is indispensable but he will further study the plan, they said.

The Defense Agency plans to buy 12 FSX planes at a cost of 147.6 billion yen in fiscal 1996, and a total of 141 planes by 2007.

An FSX plane would cost 12.3 billion yen at the first stage of their introduction and 8 billion yen at a later stage of production, according an agency estimate, which suggests the overall cost would top 1 trillion yen.

Japan has developed the FSX planes jointly with the United States.

The panel members should meet frequently in order to expedite adoption of the five-year program on time for compiling a budget plan for fiscal 1996 beginning April 1, Nosaka said.

The government is scheduled to endorse its budget draft for fiscal 1996 at a cabinet meeting Dec. 25.

MOF Wants To Limit Defense Budget to 1 Percent

OW0612121495 Tokyo KYODO in English
1025 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — The Ministry of Finance (MOF) is looking to keep growth of the fiscal 1996 defense budget to the upper 1 percent range in light of the country's new policy for smaller defense power and the shortage of financial resources, ministry sources said Wednesday [6 December].

Tough negotiations are expected between the ministry and the Defense Agency [DA] which is seeking a 3.4 percent growth from the current year's outlay due to the yen's fall since August, when the agency made the budget request.

The Defense Agency asserts it needs to spend more than it decided in August since the yen's subsequent fall will lead to higher fuel costs and higher maintenance costs for U.S. Armed Forces stationed in Japan.

MOF has imposed a growth of 2.9 percent as the ceiling for budget spending. Finance Minister Masayoshi Takemura is implying the ministry will push for lower budget growth, saying at a news conference the same day that he wants to "basically keep the growth below the set ceiling, and work toward rationalization."

Following adoption of the new defense plan which calls for cutting back on military spending, the ministry is considering a reduction of about 100 billion yen from the agency's request of 920 billion yen for new contracts for front-line equipment.

DA Wants To Buy 47 FSX Over 5-Year Period

OW0612135395 Tokyo KYODO in English
1325 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — The Defense Agency [DA] on Wednesday [6 December] presented to the three ruling parties a 25.72 trillion yen, five-year midterm defense plan, which calls for purchasing 47 FSX next-generation fighters and four refueling planes, officials said.

Agency officials also explained that Japan may export parts of the fighter to the United States in the mass-production phase of the Fighter Support Experimental (FSX) program.

After the parts are assembled, the fighter would be shipped back to Japan and thus would not violate Japan's ban on arms exports, the officials told lawmakers of the Social Democratic Party, the Liberal Democratic Party and New Party Sakigake [Harbinger].

The ministerial Security Council of Japan, led by Prime Minister Tomiichi Murayama, met in the morning at the Premier's Official Residence to draft the five-year plan following the adoption Nov. 29 of Japan's new defense policy, Chief Cabinet Secretary Koken Nosaka told a press conference.

During the meeting, Defense Agency officials briefed council members on the agency's basic ideas for the five-year program beginning April 1, 1996 and its plan for deploying the FSX and introducing aircraft to refuel the fighter planes in flight, he said.

The agency also proposed that the five-year program should include Japan's bearing the cost of U.S. forces stationed in Japan, but also cutbacks in U.S. bases in Okinawa Prefecture. It said it should also include research on the Theater Missile Defense (TMD) system, government officials said.

Finance Minister Masayoshi Takemura, however, questioned the cost of the defense program, saying expenditure on the plan should be restrained due to Japan's tight financial situation, according to the officials.

Takemura said a large sum of money is needed for the FSX planes and the government should carefully study the necessity of planes for in-flight refueling. He also questioned the usefulness of the TMD system, the officials said.

Defense Agency Director General Seishiro Eto replied to Takemura that production of the FSX planes is indispensable but he will study the plan further, they said.

The Defense Agency plans to buy 12 FSX planes at a cost of 147.6 billion yen in fiscal 1996 alone, and a total of 141 planes by 2007, sources said.

An FSX fighter would cost 12.3 billion yen during the first stage and 8 billion yen at a later stage of production, according to an agency estimate, which suggests the overall cost would top 1 trillion yen.

After heated debate in both countries, Japan proceeded to develop the FSX planes jointly with the United States.

The government is scheduled to endorse its budget draft for fiscal 1996 at a cabinet meeting Dec. 25.

Minister Fails To Propose Rice-Pricing Formula

OW0612061695 Tokyo KYODO in English 0441 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — Japan's farm minister Wednesday [6 December] failed to propose a price-setting formula for rice the government will purchase next year, reflecting a wide gap between the bureaucracy and the ruling coalition over the issue.

In a session of the Rice Price Council, Agriculture, Fisheries and Forestry Minister Hosei Norota asked the panelists for their ideas on rice-pricing methods, without making any proposal himself, government officials said.

The session is aimed at compiling panelists' opinions about pricing formulas and other issues. After finalizing the formula, the government will calculate a theoretical rice price for 1996, coordinate it with the coalition and seek a panel approval.

In its negotiations with the coalition — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake [Harbinger] — the government has proposed working out a 1996 rice purchase price by taking into account changes in prices of auctioned rice and production costs.

But the ruling parties are opposed to the government plan because it will inevitably bring down the rice price, displeasing farmers, whose votes carry more weight for the parties than those of city dwellers.

Rice producer groups are calling for the government to keep the subsidized rice price intact at 16,392 yen per 60 kilograms in order to help ease farmers into market changes under the New Food Law which took effect Nov. 1.

Under the old Staple Food Control Law, farmers had to sell rice to the government through agricultural cooperatives for distribution to licensed wholesalers and retailers.

The new law effectively limits the role of the government to buying rice for emergency stocks, while enabling producers to sell directly to wholesalers, retailers and consumers. Anyone can sell rice if they register with prefectural governments.

Ex-Labor Minister Arrested for Illegal Loans

OW0612094295 Tokyo KYODO in English 0658 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — Prosecutors arrested former Labor Minister Toshio Yamaguchi on Wednesday [6 December] in a widely anticipated political culmination of a loan scandal involving two failed credit unions.

Yamaguchi went to the Tokyo District Public Prosecutors Office himself after the House of Representatives unanimously approved a request filed by prosecutors for his arrest.

The plenary session vote came less than an hour after the steering committee of the lower house also unanimously approved the prosecution request.

Prosecutors took Yamaguchi into custody after the Tokyo District Court issued an arrest warrant for breach of trust.

Yamaguchi allegedly arranged 2.7 billion yen in collateral-free loans from two collapsed credit unions to his sister's golf course management company, knowing they could not be repaid.

Yamaguchi said in a released statement that it will eventually be proved that he is not guilty.

On being informed of the Diet's approval of Yamaguchi's arrest, Prime Minister Tomiichi Murayama said politicians should take care not to incur the mistrust of the people.

Yamaguchi, a 55-year-old independent member of the lower house, quit the main opposition Shinshinto (New Frontier Party) last March following revelations that companies run by his relatives had obtained illegal loans from the credit unions, Tokyo Kyowa Credit Association and Anzen Credit Bank.

The Diet vote was required because lawmakers have immunity from arrest when the Diet is in session unless their arrest is specially approved by the Diet or they are caught in the act of committing an offense somewhere not in the Diet building.

In the postwar period, Yamaguchi is the 16th lawmaker for whom an arrest warrant has been sought while a Diet session is under way, and the 13th for whom an arrest warrant has been approved by the Diet.

Poll: 37 Percent Disapprove of Murayama Cabinet

OW0612002395 Tokyo KYODO in English
2307 GMT 5 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — The disapproval rate for the cabinet of Prime Minister Tomiichi Murayama increased to 37 percent in December, the highest level since Murayama took office in June 1994, according to an opinion poll released Wednesday [6 December] by a national daily.

The disapproval rate increased by 4 percentage points from September, the MAINICHI SHIMBUN said.

The support rate for the cabinet increased 2 percentage points to 24 percent, it said.

The Liberal Democratic Party, the largest force in the ruling coalition, recovered popularity with its support rate increasing 5 percentage points from the previous survey in September to 32 percent in December.

The main opposition party Shinshinto (New Frontier Party) lost support, with its rate falling from 15 percent in September to 12 percent, the newspaper said.

The MAINICHI survey carried out from Friday to Sunday covered 3,000 people aged 20 and older, of whom 71 percent responded.

Murayama Seeks Formation of Consultative Organ

OW0612035295 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 5 Dec 95 Morning Edition p 2

[FBIS Translated Text] Prime Minister Tomiichi Murayama, concurrently chairman of the Social Democratic Party of Japan [SDPJ], and SDPJ Secretary General Wataru Kubo met with senior members of influential labor unions supporting the SDPJ, including Chairman Morishige Goto of the All Japan Prefectural and Municipal Workers Union and Chairman Koji Kajimoto of the Japan Telecommunications Workers' Union to discuss the issue of new party formation at a Tokyo hotel on the evening of 4 December. Murayama disclosed his intention to set up a consultative organ on forming a new political force by the end of this year, saying: "I would like to form a venue within December where various forces can have discussions." Kubo and senior union members agreed to cooperate on putting Murayama's plan into action.

Article Views Factional Strife Within MITI

OW0612035195 Tokyo SHUKAN DAIYAMONDO
in Japanese 9 Dec Issue p 19

["Jinji-tenmei" article: "There Are Signs of Recurrence of Internal Conflict In MITI; Vice Minister Tsutsumi Believed To Remain in Post To Calm Factional Strife"]

[FBIS Translated Text] A factional strife within the Ministry of International Trade and Industry [MITI] appears to be flaring up again.

The factional dispute within the ministry first surfaced after Industrial Policy Bureau Chief Masahisa Naito was dismissed at the end of 1993. Although the dispute finally began to subside early this year, a series of revealed "scandals" involving senior MITI officials has created high tensions again in the ministry.

Meanwhile, those who were considered "anti-Naito" in the 1993 factional feud included Akira Takashima, then industrial location and environmental protection bureau chief (who retired in June of this year); Hisashi Hosokawa, then basic industries bureau chief (currently international trade policy bureau chief); Masataka Nakano, then international economic affairs department head (currently consumer goods industries bureau chief); and Takeshi Isayama, then economic cooperation department head (currently international trade policy bureau deputy chief).

Although then Administrative Vice Minister Hideaki Kumano was regarded as "neutral," he agreed to dismissing Naito. Because of this, he was forced to retire before his tenure expired after the Liberal Democratic Party, which supported Naito, came back to power and Ryutaro Hashimoto was appointed international trade and industry minister.

After Kumano left the ministry, Tomio Tsutsumi was appointed new administrative vice minister. He has been steering MITI together with Secretariat Director Katsuhiro Nakagawa since then. Both Tsutsumi and Nakagawa are considered "neutral."

When MITI conducted the reshuffle of senior officials in June, Tsutsumi and Nakagawa demanded the retirement of Takashima (see above), who was considered a main figure in the "anti-Naito" group. It was thought that with the ejection of Takashima, the pro-Naito team got even with the anti-Naito group.

After that, however, "scandals" involving Nakano (see above) and Industrial Policy Bureau Tsutomu Makino were revealed. Makino, who is a hopeful candidate to succeed Tsutsumi, is said to be close to Naito.

The revelation of the scandals has created a commotion in the ministry again. It has also reduced the possibility of Makino succeeding Tsutsumi as vice minister.

A former administrative vice minister said: "Under the current situation, one party will have to oust the other." There is a strong possibility that an internal strife will flare up again.

Many MITI officials believe Tsutsumi will remain in the current post next year to settle the commotion in the ministry.

Multimedia Software, Copyrights Debate Viewed

952A0764A Tokyo NIKKEI BUSINESS in Japanese 7-14 Aug 95 pp 76-80

[Article by Junpei Furuhata: "Copyright Issues in the Multimedia Age"]

[FBIS Translated Text]

Copyright Issues Complicated by Karaoke-on-Demand

The AMEI [Ongaku Denshi Sangyo Kyokai], which is an industry association comprised of karaoke providers selling karaoke-on-demand equipment, has pooled approximately 7 billion yen in copyright fees but has not yet paid the fees to the Japanese Society for Rights of Authors, Composers, and Publishers (JASRAC). AMEI and JASRAC's conflicting ideas about copyrights has led their negotiations to flounder and left the whole issue of payment up in the air. In May 1995, AMEI tentatively agreed with JASRAC to pay an amount equal to 2 percent of the software distribution licensing fees its member providers collect from karaoke shops for "cable use rights" and 11 yen per song coming from each karaoke set-up box for "database storage rights" which allow the karaoke shops to store songs in their machines.

But AMEI is unhappy with this arrangement. Ryuichi Sasaki, the chairman of AMEI's copyright committee, maintains, "JASRAC is merely piling the cable-use, database-storage, and concert-performance rights on top of one another and collecting fees on all of them. Copyright fees are only going to get more expensive as JASRAC does this. JASRAC doesn't want to consider practices that are suitable to the multimedia age." In fact, the amount of copyright fees AMEI pays to JASRAC is between five-and-six-fold what it pays for existing package-type karaoke that uses a laser or compact disc. The story gets more complicated because JASRAC, which previously collected fees for "concert rights" from each of the shops directly, asked the AMEI-affiliated karaoke providers to collect them on its behalf. AMEI refused to do so and stopped paying the copyright fees it had collected until then altogether. Many people fear the problem will be further exacerbated in the fall when karaoke-on-demand enters the home.

In the multimedia age, image, sound, and text software is distributed as digital information which is easily copied or altered as one wishes. Because there is a strong tendency to disregard software rights and copyrights in Japan, there is likely to be a lot of software in distribution that has either been altered or that has been copied without the permission of the person who designed it. Some even predict that the multimedia market for that sort of software will expand further.

But because authors and copyright holders cannot afford to have their software copied or altered at random, the holders of copyrighted material try to protect their rights under the current Copyright Act. But when this engenders endless conflict between user and copyright holder and impedes the growth of the new market made possible by digital technology, the fruits of digitalization are lost, which is bound to be a loss for manufacturers, and for the user and copyright holder as well.

In fact, many multimedia equipment products using advanced technology exist, but are fettered by the ubiquitous copyright issue. The digital audio tape (DAT) and the "CD-R vendor," which records your voice to karaoke on a CD-R (a write-once-only CD) and lets you take it with you, are prime examples.

"Distorted Picture" Seed of New Contention

Currently, the wide television is the hit product that all of the home electronics manufacturers are trying to sell and is facing a similar problem. In March, 1995 the Committee to Address Movie Issues [Eiga Mondai Taisaku Kyogikai] (Nagisa Oshima, representative), which is comprised of three industry associations including the Directors Guild of Japan, asked the Electronics Industries Association of Japan (EIAJ, Tsuneo Oga, chairman) to fix what the committee said was "the disregard for software copyright by wide televisions."

Wide televisions, for which there is currently very little software available, display pictures that elongate the picture on a television screen from the existing 4:3 horizontal to vertical ratio, to a ratio of 16:9. The committee points out the potential infringement of individual copyright holder rights in this practice, maintaining, "it is terribly concerned that people will watch movies on a distorted screen" (Eizo Yamagi, Directors Guild of Japan). EIAJ, for its part, argues that it is up to the home viewer whether to use the wide function or not. It looks like this debate is going to drag on for a while.

The home electronics manufacturers are in no position to feign ignorance by maintaining that there is no correlation between [the copyright issue] and who buys the wide televisions.

Next year the two camps that have split in their struggle to dominate digital video disc (DVD) technology will market their products separately. The prevailing industry opinion is that the deciding point "will come when the DVD makes its debut into the home where individuals can write over images and information." When the write-over DVD is launched there will be no way around the issue of protecting the software copyright. If we make the mistake of ignoring the wide television issue now, it will send a strong signal, not only to those in the movie industry but to software copyright holders in general, to the effect that "the home electronics manufacturers don't care about copyrights." We must show that we are dealing with the problem now before write-over DVDs go on the market and it becomes more difficult to get the home electronics manufacturers to cooperate.

The copyright problem has a more serious impact on the companies that actually produce the multimedia software and the creators of the software than on the home electronics makers. It is already quite common for someone attempting to devise an appealing multimedia software package using existing images and sounds to be refused consent by the copyright holder and to run into problems negotiating an excessively-high copyright fee. You may even find that you can get the consent of a copyright holder, but not that of the author for reasons of infringement of individual copyright holder rights.

Given this potential bottleneck it is not at all unusual for the individual producing software to abandon it in the middle or shelve it once its finished. In fact, the CD-ROM (read-only-memory CD) software that gives you the musical compositions and concert films of Yumi Matsutoya and Hideaki Tokunaga have not yet cleared the copyright hurdle. Though the products themselves are finished, they have not seen the light of day.

In February, 1994 the Institute of Intellectual Property, an auxiliary organ of the Ministry of International Trade and Industry [MITI], released "Exposure 1994" which was a draft proposal meant to resolve the problems associated with the production of multimedia software definitively by establishing a digital information center and reviewing the issue of individual copyright-holder rights. The proposed digital information center would collect and administer information about who owns what individually-licensed copyright material. At the same time it would act as an intermediary between the copyright holder and a potential user by obtaining the consent to use copyrighted material from its owner which would actually supply the copyrighted material. The proposal also sought to make the production of multimedia software easier by relaxing the stipulations governing individual copyright holder rights in its review.

The multimedia software producers and manufacturers of hardware used for personal computers and home game machines welcomed this proposal for the most part. Because there wasn't a single person representing software copyright holders among those on the committee drawing up the proposal, however, its pro-industrial policy slant was overwhelming, prompting software copyright holders to reject it wholesale, saying that it "disregarded the concept of copyright." Management of one copyright holder organization maintains, "it's impossible for a single center to collect and administer copyrighted materials that are fundamentally different in nature and to broker the rights to them. Relaxing individual copyright holder rights is contrary to international practice and so barbarous an act that not even Hitler would have tried it."

The Internet Is a Big Problem Too

In addition to fierce opposition from existing software copyright holders, the United States has expressed the opinion that "there's something funny about the government heading up the establishment of such a center." Perhaps because of this, the report was finally released after a delay of about a year in June, 1995 and toned down considerably from the original "Exposure 1994" draft. The revised report clearly intends to support the private sector in freely establishing a digital information center, with the idea that several others will compete with it based on market principles, while the idea of an amendment to the Copyright Act revising the stipulations governing individual copyright holder rights fades out. Kenichi Kawamoto, the Deputy Section Head of the Intellectual Property Policy Office within MITI's Industrial Policy Bureau, says, "the next step is for the private sector to take the lead in establishing a digital information center even if it has to be on an experimental basis. We want companies to look around at other private companies and want the center to trigger the establishment of many others."

A move in that direction has actually occurred. The International Multimedia Association (MMA, Takuma Yamamoto, chairman), an auxiliary organ to MITI, is cooperating with DIOS [Dijitaru Imeji Ryutsu Kiko] (Hironobu Shinto, chairman), an association of agents brokering photographers' copyrights, to build a collection and administration system for photo copyrights.

One experiment planned for this fiscal year is to create a database of over 100 thousand digitalized pictures which DIOS possesses and distribute them via a network to member corporations. The user accesses a system server (a computer used to manage information) and keys a password in once he has located the desired photo. This causes a shade covering the photo to roll back. A user's license agreement is then established along with a fee schedule. What alterations to the photos will be allowed is still unclear, but it is certain that this will be a prototype copyright collection and administration system.

Makoto Yamashina, president of Bandai, Ltd. and the director of AMD [Maruchimedeia Taitoru Seisakusha Renmei] an auxiliary organ to the Ministry of Posts and Telecommunications [MPT], stresses that "it's more important that business go ahead at the working level than any discussion of laws. In the process, interested parties are forced to talk to one another, make an effort to resolve problems, and establish contractual arrangements. All we have to do then is revise the laws to conform with the actual business conditions that exist."

But it is not that easy. Because of the strong tendency in Japan to disregard copyright, there are many copyright holders who will turn around and simply not cooperate even if you say, "let's make some money together."

Masayuki Ishida, a senior researcher at Sanwa Research Institute asserts, "it's important that the person using the copyrighted material make it clear to the author that he plans to 'protect the copyright and guarantee the economic rights behind it.'"

Some movie directors, for example, currently refuse to allow their works to be used in multimedia software on the grounds of protecting "the right to preserve the original content" of the work, which is one of the individual rights of an author. From the user's point of view this may seem like inappropriate use of the individual right, but the movie directors' "resistance" may be the result of Article 29 of the Copyright Act. Article 29 takes the economic rights away from movie directors by defining the movie copyright holder as "those who make the movie." Unless a person asserts an individual right, an economic right is not automatically secured, leading to endless assertions of rights. Senior researcher Ishida maintains that "there are fewer ingredients for conflict with an firmly-rooted system of closely protecting an author's economic right by paying a suitable copyright fee."

Even so, if we decide it is better to continue existing practices, as JASRAC does, then there would not be people who feel the need as AMEI does to set new rules. Unfortunately, every day digitalization presents our society with new problems.

The Internet is one of those areas where, from a practical standpoint, once copyrighted material is distributed you cannot stop it from being altered and copied. You can copy pictures and information obtained through the Internet as desired. Though some think of the Internet as a place where the issue of copyright does apply because [information] is free and generally available to the public, naturally there will be those people and organizations that will wish to assert their rights. How are we to protect their rights when there are no set rules for doing so? Not only is it difficult to detect when another person's copyrighted material carried in another medium has been copied without permission, but there are no rules regulating it. Once the copyrighted material is carried on the Internet, crosses international boundaries, and makes its way around the world the impact on the copyright holder can be substantial. Japanese animated cartoons, with their worldwide following, have flooded onto the Internet. No [illegible]'s license has been obtained from the copyright holders for most of them. The digital era forces us to cooperate with one another in responding to these new issues. Digital technology is useful, but it can also be troublesome.

North Korea

Kim Chong-u, Economic Delegates Depart for U.S.

SK0212102495 Pyongyang KCNA in English
1004 GMT 2 Dec 95

[FBIS Transcribed Text] Pyongyang, December 2 (KCNA) — A government economic delegation of the Democratic People's Republic of Korea led by Kim Chong-u, vice-chairman of the State External Economic Affairs Commission, left here to participate in the 6th meeting of Program Management Committee of the Tuman River Area Development Programme, which will be held in New York under the sponsorship of the United Nations Development Programme.

ROK, U.S. Military Activity in DMZ Noted

SK0612051095 Pyongyang KCNA in English
0344 GMT 6 Dec 95

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA) — The South Korean puppets on December 3 and 4 committed military provocations in the Demilitarized Zone (DMZ) and the U.S. imperialist warmaniacs, in collusion with the puppets, carried on a large-scale joint air war exercise aimed at a surprised preemptive attack on the North, military sources said.

On December 4, scores of puppet army soldiers, heavily armed with machine guns and automatic rifles, wormed into the DMZ south of the central sector of the front and took firing postures at the civil policemen of the North side.

On December 3, scores of puppet army soldiers, who crawled into the DMZ 150 meters south of the eastern sector of the front, trenched a battle position and repeatedly aimed at the soldiers of the opposite North side's post.

In another development, on December 3-4, scores of carrier-based assault planes belonging to the U.S. Pacific Fleet and about 1,100 fighter bombers, assault planes, reconnaissance planes and observation planes, belonging to the U.S. Seventh Air Force and the puppet Air Force, were massively mobilized in a joint air war exercise with the sky above South Korea as a theatre.

On the 4th, 25 helicopter gunships of the puppets that flew into the sky above the areas of the western and central sectors of the front from in-depth area made ultra-low-altitude flights for air striknng exercise against the targets of the North.

And, on the 3d, a heavy tank group and artillery groups of the puppet army showered shells in the western, central and eastern sectors of the front, kicking up an atmosphere of confrontation.

The U.S. imperialist warmaniacs and the Kim Yong-sam group should act with discretion, mindful that the end of war-thirsty elements is death.

Committee Formed in ROK To Probe ANSP Cases

SK0312072195 Pyongyang KCNA in English
0648 GMT 3 Dec 95

[FBIS Transcribed Text] Pyongyang, December 3 (KCNA) — 26 civil and religious organisations, including the Human Rights Committee of the National Council of Christian Churches and the Family Movement For Realising Democracy in South Korea, on November 30 inaugurated a joint measure committee for a probe into the truth behind the fabrication of spyring cases by the "Agency for National Security Planning [ANSP]", a Seoul-based radio said.

The organisations said that in recent one month a series of spyring cases were rigged up and many people were arrested by the puppet "Agency for National Security Planning". They vowed to mount the activity of probing the truth behind the faked-up spyring cases lest the fabrication of spyring cases, evil practice of the old times, should be repeated.

Commentary Views ROK Defense Minister Remarks

SK0612025395 Pyongyang Korean Central
Broadcasting Network in Korean
1223 GMT 30 Nov 95

[Commentary by Yun Pyong-son: "Confrontation Racket to Evade Crisis"]

[FBIS Translated Text] The South Korean puppets are viciously kicking up an anti-Republic confrontation commotion, preposterously laying the blame at our door.

According to a report, puppet National Defense Minister Yi Yang- ho, in a so-called letter sent on 28 November to commanders and staff officers of the puppet army's brigade units and above, clamored about strengthening a security posture against possible military provocations against the South, babbling that the North may possibly miscalculate the recent South Korean situation and that the North may wage an offensive activity against the South. This is indeed a shameless act, like a thief turning on the victim with a club.

The rascal clamored as if we were making war preparations to invade the South. This completely reverses black and white.

As the world knows, those who are stepping up war preparations on the Korean peninsula are none other than the South Korean puppets themselves who are dreaming of reunification through a victory over communism. In recent months alone, the puppets staged one after another various forms of war exercises, including the Foal Eagle-95 joint military exercise, the Hwarang war exercise, and the 95 anti- infiltration combined exercise, in a bid to aggravate tensions in this region.

Speaking of the Foal Eagle-95 joint military exercise alone which is a version of the Team Spirit nuclear war exercise, this exercise mobilized scores of thousands of U.S. troops from the U.S. main land and South Korea; most of the South Korean puppet Army; nuclear-powered submarines and destroyers from the 7th U.S. Fleet; and other enormous military troops and up-to-date war equipment which can wage a complete war. Also, the contents of this exercise included a joint amphibious operation exercise, a river-crossing operation exercise, and other offensive-type exercises.

It is needless to say that these war exercises staged by the Kim Yong-sam ring everyday were aimed at invading the North.

Even at the very time when Yi Yang-ho laid the blame at our door, clamoring about military provocations against the South, stepping up war preparations, and the like, the provocative Hwarang war exercise was being staged in South Korea.

These facts clearly show that it is precisely the South Korean puppets who are accelerating war preparations on the Korean peninsula and that they are trying to persistently provoke a war of northward invasion.

The Kim Yong-sam ring which is perpetrating the war provocation maneuvers to drive the nation into a nuclear holocaust while attempting to shift responsibility for aggravating tensions onto us is indeed a despicable ring. The problem is why the puppets are laying the blame at our door and kicking up a commotion as if something would happen immediately. Behind this is the Kim Yong-sam ring's dirty plot to escape its crisis of ruin.

Whenever the puppets face a crisis in their rule they clamor about the threat for a southward invasion as a way to escape the crisis. This is their hackneyed practice.

When the large accidents which inflicted serious damage on the people took place last spring and summer in South Korea and the South Korean people's antigovernment struggle was intensified in the wake of these accidents, the Kim Yong-sam ring kicked up war commotions in a bid to pacify the people's struggle while babbling about someone's provocation. This is a well-known fact.

The puppet national defense minister's absurd remarks this time were also designed to bring such a crisis under control. As everyone knows, with the disclosure of No Tae-u's slush fund scandal, public attention in South Korea is focused on traitor Kim Yong-sam who was involved in this scandal and illegally embezzled an astronomical amount of money.

Terming traitor Kim Yong-sam a more vicious thief than No Tae-u and a rascal who always thinks of only committing theft and embezzling money, the South Korean people demand that the rascal is taken into the court for punishment.

Traitor Kim Yong-sam put up the enactment of the 18 May special law in a bid to escape from being cornered. However, branding it as a trick to escape the present crisis phase, the South Korean people are strongly urging him to reveal the funds he used in the presidential election and to introduce a special prosecution system for the investigation of the 18 May incident.

Furthermore, the dog fight which is being waged within the ruling circles due to the slush fund scandal is also driving the political situation into a deep swamp. The Kim Yong-sam ring which has been driven into a corner due to such a political situation is attempting to divert elsewhere the people's attention focused on it and, thus, to escape the crisis of ruin by clamoring about someone's provocation against the South and the like. Herein lies the purpose of the puppets' confrontation commotion.

However, no one will be deceived by the puppets' clumsy trick. The only measure to bring the present political situation under control is for the Kim Yong-sam ring to frankly reveal its crimes committed before the people and to come to the court of history. The anticommunist confrontation commotion will only expedite their ruin. Wantonly perpetrating an anticommunist confrontation, the Kim Yong-sam ring, can only gain a disgraceful ruin.

ROK Group Urges Special Prosecutor System

SK0312104095 Pyongyang KCNA in English
0659 GMT 3 Dec 95

[FBIS Transcribed Text] Pyongyang, December 3 (KCNA) — Members of the Kwangju-South Cholla Regional Joint Measure Committee for the May 18 Incident and Students, more than 1,000 all told, held a rally of people in the city and the province for the enactment of a special law on the afternoon of Saturday [2 December], according to a radio report from Seoul.

The ralliers said that only when the special prosecutor system is established, is it possible to punish those responsible for the Kwangju massacre and those related to the military who have recently been proved involved, and urged the authorities to set up the special prosecutor system.

Members of the society of families of the May 18 wounded demonstrated in front of the house of the traitor Chon Tu-hwan on the evening of November 30 in demand of the establishment of the special prosecutor system.

NDFSK Japanese Mission on ROK Special Law

SK0312103995 Pyongyang KCNA in English 0701 GMT 3 Dec 95

[FBIS Transcribed Text] Pyongyang, December 3 (KCNA) — A spokesman for the Japanese mission of the National Democratic Front of South Korea [NDFSK] issued a statement to the press Thursday [30 November], branding the recent measure taken by the traitor Kim Yong-sam for the enactment of a May 18 Special Law as a trick to emerge from the catastrophic crisis.

The statement says that the traitor Kim Yong-sam's abrupt instruction to enact the May 18 Special Law is one more trick of the "civilian"-veiled dictator to hush up the demand of the people for a total opening of a huge amount of secret fund Kim Yong-sam received from No Tae-u.

The traitor Kim Yong-sam, it notes, seeks to deal with the "secret fund scandal" and the May 18 incident at his discretion contrary to the demands of the people, the statement says.

The statement urges the traitor Kim Yong-sam to totally open to the public the secret fund of astronomical figures, which he received from No Tae-u on several occasions, including days of his opposition party, the "three-party merger", "presidential elections" and "his assumption of office", and step down at once.

Pomminnyon Holds Memorial Service in Tokyo

SK0212083395 Pyongyang KCNA in English 0813 GMT 2 Dec 95

[FBIS Transcribed Text] Tokyo, November 30 [date as received] (KNS-KCNA) — A memorial service was held in Tokyo on November 29 for the late Yun I-sang, former chairman of the Overseas Headquarters of the National Alliance for the Country's Reunification (Pomminnyon) and a talented composer of the nation.

In his memorial address, Kwak Tong-ui, vice-chairman of the Overseas Headquarters of Pomminnyon, said that musical pieces by Yun I-sang, a world-famous composer and patriot, are associated with love for the country and the nation.

Recalling that Yun I-sang conducted energetic activities for national reunification and the development of the movement of Pomminnyon, he said:

"Although he resigned as chairman of the Overseas Headquarters of Pomminnyon for his disease, Yun I-sang invariably maintained his faith in reunification."

Kwak Tong-ui prayed for the soul of the late Yun and called upon all to advance with the conviction that the country would certainly be reunified.

Pomminnyon Overseas Headquarters Chairman Arrives

SK0212102295 Pyongyang KCNA in English 1001 GMT 2 Dec 95

[FBIS Transcribed Text] Pyongyang, December 2 (KCNA) — Chairman of the Overseas Headquarters of the National Alliance for the Country's Reunification (Pomminnyon) Yim Chang-yong and his party arrived here today.

They were greeted at the airport by Yu Mi-yong, chairperson of the Central Committee of the Chondoist Chongu Party and chairman of the Reunification Policy Committee of the Supreme People's Assembly, Paek In-chun, chairman of the North Side Headquarters of Pomminnyon, and other officials concerned.

Visits Kim Il-song Statue

SK0312104195 Pyongyang KCNA in English 0656 GMT 3 Dec 95

[FBIS Transcribed Text] Pyongyang, December 3 (KCNA) — Chairman of the Overseas Headquarters of the National Alliance for the Country's Reunification (Pomminnyon) Yim Chang-yong and his party laid a floral basket before the statue of the great leader President Kim Il-song on Mansu Hill and made a bow.

Visits Kumsusan Memorial Palace

SK0412042495 Pyongyang KCNA in English 0246 GMT 4 Dec 95

[FBIS Transcribed Text] Pyongyang, December 4 (KCNA) — Yim Chang-yong, chairman of the Overseas Headquarters of the National Alliance for the Country's Reunification (Pomminnyon), and his party on Sunday visited Kumsusan Memorial Palace where the great leader President Kim Il-song is preserved in state to pay homage to him.

He made an entry in the visitor's book.

LSWYK Delegates Visit Korean Center in Tokyo

SK0312234795 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 30 Nov 95

[FBIS Translated Text] The delegation of the League of Socialist Working Youth of Korea [LSWYK] led by Choe Yong-hae, chairman of its Central Committee, visited the Korean Center in Tokyo on 28 November.

Han Tok-su, chairman of the General Association of Koreans Residing in Japan [Chongnyon] Central Standing Committee, responsible Vice Chairman Ho Chong-man, vice chairmen of each department, and the secretary general received the delegation and held talks.

On this day, the delegation participated in a luncheon arranged by the Chongnyon Central Standing Committee. The delegation arrived in Tokyo on 25 November.

Japanese Visiting Delegations Arrive in Wonsan

SK0212102695 Pyongyang KCNA in English 1003 GMT 2 Dec 95

[FBIS Transcribed Text] Pyongyang, December 2 (KCNA) — An art group of Korean school children in Japan led by Pak Chom-sok, vice- director of a department of the Central Standing Committee of the General Association of Korean Residents in Japan, and the 251st short-term home-visiting group of Korean residents in Japan arrived in Wonsan on November 30 to visit the socialist motherland.

Yi Chong-ok Interviewed by Japanese Journalist

OW0612132395 Tokyo FNN Television Network in Japanese 1620 GMT 4 Dec 95

[Interview with Yi Chong-ok, vice president of the DPRK, by Takashi Suzuki, chairman of Tokai Television Broadcasting Company, at the Mansudae Assembly Hall in Pyongyang on 1 December — recorded, Yi's remarks are in Korean with passage-by-passage translation into Japanese; translated from the Korean]

[FBIS Translated Excerpt] [Passage omitted with file footage on scenes in Pyongyang, a brief profile of Yi, and Yi and Suzuki, both accompanied by their parties, entering a conference room for the interview] [Suzuki] I am honored to be the first Western journalist to meet with Vice President Yi Chong-ok. On this occasion, allow me to state my own views, and please let us know Your Excellency's [kakka] views, too.

[Yi] I warmly welcome your visit to our country.

[Suzuki] There has not been any official announcement that His Excellency Kim Chong-il has assumed the posts of president of the DPRK and general secretary of the Workers' Party of Korea [WPK]. Please tell us the reasons behind this.

[Yi] We have a saying that the passage of 10 years changes rivers and mountains. During this time, the features of our country have changed a great deal.

All this can be ascribed to the wise leadership of the respected and beloved General Kim Chong-il who upholds the will of the fatherly leader.

Since the passing of the great leader Comrade Kim Il-song, our people have respectfully passed on their ardent desire to the respected and beloved Comrade Kim Chong-il — who takes after our leader exactly in ideology, leadership, and traits — that they wish to officially enthrone him as soon as possible.

While he appreciates this wish of our people, the great leader Comrade Kim Chong-il has said that one engaged in the revolution ought to value morality more highly than an official title and that he should not be enthroned in view of our people's good manners and etiquette passed down from generation to generation.

Under the leadership of the respected and beloved Comrade Kim Chong-il and the banner of the chuche idea, all our party members and working people are filled with resolve to brilliantly fulfill the chuche revolutionary cause which the fatherly leader pioneered.

[Suzuki] Second, with regard to the issue of normalizing diplomatic ties between Japan and North Korea, the Japanese Government is closely watching developments in negotiations between the United States and the DPRK. The normalization of ties cannot be expected in the near future.

[Yi] Since the DPRK and Japan are close neighbors, they should become close countries. Nevertheless, they are near but far apart at present.

This abnormal situation is entirely attributable to the Japanese Government's policy of enmity toward our Republic.

[Suzuki] Could you please tell us the present status and prospects for the reunification of the Korean peninsula? Please tell us how we should explain this to the Japanese public at present?

[Yi] You asked a question about reunification. Our leader [suryongnim] put forth all the formulas for reunification.

Our leader put forth the formula that the country's reunification should be achieved independently, peacefully, and based on the three principles of great national unity. He proposed national reunification should be achieved by founding a confederal state based on one state, one nation and two governments, two systems because different ideologies and systems actually exist in the North and the South.

However, because of the South Korean authorities' antireunification and antinational maneuvers, our reasonable and just reunification formula has not been realized.

I wish you much success in your work in the future. [passage omitted]

Kim Yang-kon Interviewed by Japanese Journalist

OW0612135095 Tokyo FNN Television Network in Japanese 1620 GMT 4 Dec 95

[Interview with Kim Yang-kon, chairman of the Korea-Japan Friendship Association, by Takashi Suzuki, chairman of Tokai Television Broadcasting Company, in Pyongyang on 1 December — recorded, Kim's remarks are in Korean with passage-by-passage translation into Japanese; translated from the Korean]

[FBIS Translated Excerpt] [Passage omitted with file footage of scenes in Pyongyang; appearances by Kim Chong-il; report on the DPRK facing economic problems; and Kim and Suzuki, accompanied by others, entering a large sitting room, shaking hands, and chatting; both parties are shown seated across a long table] [Suzuki] Please comment on what the Korea-Japan Friendship Association thinks of exchanges between Japan and North Korea.

[Kim] In September 1990, three parties adopted and announced a joint statement on improving DPRK-Japanese relations. In accordance with this agreement, eight rounds of DPRK-Japanese governmental talks were held. Because of Japan's unfair position, in other words, because the Japanese side raised issues that had nothing to do with normalizing diplomatic relations, the talks were stalemated.

In March 1995, the four parties [as heard] adopted an agreement on resuming DPRK-Japan talks. Clearly specified in the agreement are such issues as what attitude and position the DPRK and Japan should take in proceeding toward future DPRK-Japanese governmental talks. In particular, it is our consistent position to improve DPRK- Japanese relations, as well as develop friendly relations between the people of the two countries.

Japan invaded us in the past, forcing our people to suffer immeasurable unhappiness and pain. Therefore, if the Japanese Government sincerely wants to improve DPRK-Japanese relations, it should apologize and compensate us for this.

In the future, to properly proceed with negotiations to improve DPRK-Japanese relations, we should thoroughly maintain an independent and self-reliant position. We should not raise any issue unrelated to improving relations.

Our party's ultimate mission is reunification of the divided fatherland. This is a pressing task that should be achieved by our people. From the first day our country was divided by outside forces, and up to the last moment, our leader [suryong] devoted all his efforts to achieving the country's independent and peaceful reunification.the country.

The basic principles we have consistently maintained are the three principles of independence, peaceful reunification, and the great unity of the nation. In reality, different ideologies and systems now exist in the North and South. In these circumstances, the way to achieve national reunification in a fair and peaceful way, without conquering or being conquered by others, is through the confederal system based on one nation, one state, and two systems, two governments. When our leader [suryong] proposed national reunification through the confederal system, not only did the people in the North and South express their full support, but so too did all countries throughout the world. However, because of the unfair plotting of the South Korean authorities, who follow the U.S. policy of separation, our formula of reunification through the confederal system has not yet been achieved.

[Suzuki] Regarding the issue of a market economy, Cuba has been under a U.S. blockade. It has survived, and because it is a tourist destination, it has formed joint ventures with Canada and other Western countries to develop its tourist facilities. Personally, I think the DPRK is, in a sense, adopting policies very similar to those of Cuba.

[Kim] We are formulating and carrying out policy in our way. As mentioned earlier, it is our policy to develop economic relations with other countries based on independence, equality, and reciprocity. Therefore, we have taken all legal steps to develop various economic relations, including announcing a joint venture law.

By the way, Western countries, including the United States, are now carrying out policies to impose a blockade and sanctions against us.

We never oppose developing economic relations with other countries. Therefore, we are carrying out a policy to actively develop economic exchanges with other countries, along with building a self-reliant national economy based on our country's abundant resources, our people's might, and our technology. Even now, we are establishing and developing economic relations with all countries throughout the world, including Southeast Asian countries and European capitalist countries.

I believe you will have an opportunity to meet and hear from our relevant officials. We have declared the Najin-Sonbong District a free-trade economic zone, raising many issues concerning joint ventures with other countries. Businessmen from many countries are now interested in this zone.

Korean Residents in Japan Visit Kumsusan Palace

SK0312072095 Pyongyang KCNA in English 0646 GMT 3 Dec 95

[FBIS Transcribed Text] Pyongyang, December 3 (KCNA) — An art troupe of Korean school children in Japan led by Pak Chom-sok, vice director of a department of the Central Standing Committee of the General Association of Korean Residents in Japan, and the 251st short-term home-visiting group of Koreans in Japan on Saturday paid homage to the great leader President Kim Il-song at Kumsusan Memorial Palace where he is preserved in state.

The head of the troupe in a visitor's book wrote that they have come, feeling an irresistible yearning after President Kim Il-song, who would see art performances given in the homeland by Korean school children from Japan and vowed to stubbornly fight under the leadership of the great General Kim Chong-il, holding Generalissimo Kim Il-song in high esteem.

Japanese Official's Remarks on 'Threat' Denounced

SK0612093295 Pyongyang Korean Central Broadcasting Network in Korean 1224 GMT 5 Dec 95

[Commentary by Yun Pyong-son: "Bad Habit of Laying the Blame at Others' Door Should be Corrected"]

[FBIS Translated Text] Japanese reactionaries are still perpetrating a wicked act while preposterously laying the blame at our door.

According to a report, in a briefing on Japan's new defense plan at a press conference held recently by the Japanese Government, a section chief in the Defense Bureau of the Japanese Defense Agency clamored that a DPRK military threat toward Japan still exists, that the DPRK is pushing ahead with military modernization and strengthening military capabilities, and the like.

This is a shameless act of distorting realities and reversing black and white. Japanese reactionaries are clamoring as if we were threatening Japan militarily. However, in reality it is not Japan but we who are truly being threatened.

It is a well-known fact that Japan has continuously increased its military expenses and is arming the Self-Defense Forces with new type war equipment. Through their unlimited military expansion and arms buildup, the Japanese reactionaries have made all preparations for fully waging military operations. A direct example of this is that they are scheming to obtain more large transport ships which could also serve as aircraft carriers. [as heard]

What attracts our special attention in Japan's military policy is that it is aimed at the Korean Peninsula. It is also a well-known fact that Japan has deployed its elite combat units in the western region of Japan, which is close to the Korean Peninsula, and it has actively staged in the area military exercises simulating an invasion into the DPRK.

Recently Japan has been said to reduce the size of its armed forces deployed in some regions. However, it is attempting to maintain intact the 4th and 8th Divisions deployed in Kyushu. This tells us that Japanese reactionaries have designated the Korean Peninsula as the first target for their overseas aggression as they have done in the past.

Such facts clearly show that it is none other than Japan which is accelerating military modernization and strengthening its military capability, and that it is none other than Japan that is threatening us militarily.

This notwithstanding, Japanese reactionaries are fanning confrontation with us while laying the blame at our door. Why? Behind this lies their sinister aim. In other words, as everyone knows, it is precisely Japanese reactionaries' (?hackneyed) intention to realize their old dream of a Greater East Asia Co- Prosperity Sphere through their transformation into a military power and by arming themselves with nuclear weapons.

This is why Japanese reactionaries are embellishing their past crimes and inspiring militarism among the people.

In fact, Japanese reactionaries are advancing along the road of transformation into a military power while openly clamoring that Japan's defeat in the Pacific War came about because Japan was weak then. Such sinister maneuvers have become the target of the strong criticism and condemnation of the Japanese people.

Such being the situation, for Japanese reactionaries an excuse to soothe the international voices of criticism and to justify their maneuvers for transformation into a military power was needed. This is why they came up with the theory on the DPRK's military threat to Japan. However, such a clumsy camouflage cannot work in today's world.

Japan clamors frequently about improvement of DPRK-Japan relations. If this proceeds from its true intentions, Japan should frankly admit and apologize for the crimes the Japanese imperialists committed before the Korean people in the past and, at the same time, renounce the wrong habit of attempting to realize ambition while laying the blame at others' door.

The Japanese reactionaries clearly know that the road of transformation into a military power, the road of nuclear armament, is the road to ruin.

Ancient Japan's Growth Due to 'Koguryo' Culture

SK0612135895 Pyongyang KCNA in English 0959 GMT 6 Dec 95

["Ancient Japan Owes Its Growth to Koguryo's Culture" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA) — PYONGYANG SINMUN today begins to carry a serial article headlined "Ancient Japan Owes Its Growth to Koguryo's Culture," which says the tombs of the Koguryo Dynasty unearthed a few years ago in Korea — tombs square at the head and rounded at the foot and tombs with four projecting corners — indicate the influence the ancestors of Korea had on the cultural development of ancient Japan.

The Japanese reactionaries are obsessed with superiority of the Yamato nation, the article notes, and documents what relations there were between the Yamato nation and the Korean nation in the old times.

The article says:

Koguryo existed for nearly 1,000 years as a strong state in the east. It was the first feudal state of Korea. Its fine culture spread to ancient Japan across the sea and played a big role in civilizing ancient Japan, which was backward in all spheres of politics, the economy and culture. Far from feeling grateful for this, the rightist ultranationalists and other reactionaries of Japan have tried in every way to reverse the stark historical facts.

The argument about Miyake in Mimana is one of their intrigues. They groundlessly argue that the Yamato Kingdom of ancient Japan established a self-governed organ called "Miyake" in Kaya of Korea (Imna or Mimana in Japanese) from the middle of the fourth century for rule over Kaya and the neighbouring dynasties of Paekje and Silla for hundreds of years.

After the "Meiji Restoration" in 1868, the rightist ultranationalists of Japan propounded the notorious theory for conquest of Korea. Towards the end of the 19th century, they tried to convince the European powers and the United States that because Korea was a tributary to Japan from olden times, it is natural from the historical point of view that Japan should annex Korea.

Fearful that the monument to the tomb of King Kwanggaeto, a witness of history, should prove the falsity of their argument about Miyake in Mimana, the Japanese imperialists erased some of the letters carved in the monument, a treasure of world history.

From the initial period of their occupation of Korea, the Japanese imperialists formed even legally patronised disinterment groups to unearth every tomb in Korea and took away all the valuable relics without registering them in any book. They destroyed the tombs which they thought were superior to Japan's so completely that their patterns could hardly be distinguished.

In the 1920s, the Japanese imperialists argued that Tangun, the ancestral father of the Korean nation, was not a real person. They unearthed the tomb of King Tangun and confiscated and burned every book on the ancient history of Korea.

They insisted that Koreans should speak in Japanese and change their names into Japanese names because they are also descendants of "Amaterasu Okami" and have the same ancestors as the Japanese. The imperialists prohibited Koreans from speaking and writing in the Korean language and having Korean names. This is without precedent in the world history of colonial rule.

Even after they were defeated in 1945, they tried in every way to convince people that ancient Japan ruled over Korea. There are still some who look down on the other nation.

Although the forgers of history resort to false arguments to attain their sinister purpose, continuously appearing scientific evidences negate the arguments and prove that ancient Japan owes its growth to Korea.

Korean-Sino Hydroelectric Power Decision Signed

SK0312071095 Pyongyang KCNA in English 0643 GMT 3 Dec 95

[FBIS Transcribed Text] Beijing, December 1 (KCNA) — A decision of the 48th regular council meeting of the Korean-Sino Hyroelectric Power Company was signed in Beijing on December 1.

The decision was signed by Korean Director of the Council Pak Ul-yong, who is vice-minister of Electric Power Industry, and Chinese Director of the Council Wang Xicheng, who is vice-minister of Power Industry.

Envoy to Thailand Pays Farewell Visit to Prince

SK0312121495 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 29 Nov 95

[FBIS Translated Text] DPRK Ambassador to Thailand Yi To-sop paid a farewell visit on Wachiralongkon Van, crown prince of the Kingdom of Thailand, on 24 November.

On this occasion, the ambassador conveyed to Crown Prince Wachiralongkon Van the greetings that the great leader [widaehan yongdoja] Comrade Kim Chong-il sent to King Bhumibol Adulyadej. The crown prince expressed his deep appreciation for this, and asked the ambassador to extend the warm greetings of his majesty the king, himself, and the Thai Government and people to the great leader [widaehan yongdoja] Comrade Kim Chong-il.

The crown prince said his majesty the king, himself, and the Thai Government and people wish the DPRK people will bring about success in building the nation and in guaranteeing peace under the correct leadership of the supreme leader [choego yongdoja] Comrade Kim Chong-il, who is inheriting the cause of his excellency the great [widaehan] President Kim Il-song.

After describing his impressions of the DPRK from his visit, he expressed satisfaction over the fact that relations between Thailand and the DPRK are developing favorably.

Hwang Chang-yop at Meeting of British Communists

SK0412121395 Pyongyang KCNA in English 1021 GMT 4 Dec 95

[FBIS Transcribed Text] Pyongyang, December 4 (KCNA) — A meeting to support the Korean people's just cause was held in London on November 29 under the cosponsorship of the British Society for Independence Studies and the British Communist Organization.

Present at the meeting were representatives of political parties and organizations. A delegation of the Workers' Party of Korea led by secretary of the WPK Central Committee Hwang Chang-yop was present on invitation.

Speeches were made by general secretary of the Central Committee of the New Communist Party of Great Britain Eric Trevett, the general secretary of the British Society for Independence Studies, representatives of the Britannic Communist Party and the British Labour Party and the chief of the provisional committee of the British Communist Organization and other officials.

The speakers referred in detail to the immortal exploits performed by the respected leader President Kim Il-song for the cause of independence against imperialism.

Noting that the great leader Comrade Kim Chong-il is brilliantly carrying forward the chuche cause and is wisely leading the socialist and communist cause, they expressed firm solidarity with the just cause of the Korean people who defend socialism and strive to achieve the reunification of the country, defying the vicious moves of the imperialists.

Hwang Chang-yop, head of the WPK delegation, delivered an address at the meeting.

Foreign Ministry Delegates Return From Overseas

SK0412013195 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 1 Dec 95

[FBIS Translated Text] A DPRK Foreign Ministry delegation led by its Vice Minister Kim Chang-yong, returned home on 1 December by train after visiting Romania, Yugoslavia, Macedonia, and Bulgaria.

Yemeni Party Official Receives WPK Delegation

SK0312120695 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 28 Nov 95

[FBIS Translated Text] On 25 November, 'Abd-al-Karim 'Ali al- Iryani, general secretary of the General People's Congress of Yemen, received a Workers Party of Korea [WPK] delegation led by Won Tong- ku, the director of a department of the WPK Central Committee and a member of the WPK Central Committee.

On this occasion, the head of the WPK delegation conveyed greetings from the great leader [widaehan yongdoja] Comrade Kim Chong-il to General Secretary 'Abd-al-Karim 'Ali al-Iryani. The general secretary expressed deep appreciation for this and asked the head of the delegation to convey his warm greetings to the great leader [widaehan yongdoja] Comrade Kim Chong-il. The general secretary stated that the General People's Congress of Yemen extends warm congratulations to his excellency the Great Leader [widaehan yongdoja] Kim Chong-il for excellently inheriting the cause of his excellency the great [widaehan] President Kim Il-song and for wisely leading the WPK and the DPRK people.

He also said the WPK has a long history of 50 years and rich experience, and that everything is going well under the WPK's leadership. He added that the General People's Congress of Yemen will make positive efforts to strengthen and develop the ties of friendship and cooperation with the WPK, and will positively learn from the WPK's rich experience.

'Independence,' in Foreign Policy Stressed

SK0612121395 Pyongyang KCNA in English 0931 GMT 6 Dec 95

["Independent Foreign Policy" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA) — The Democratic People's Republic of Korea will fully exercise sovereignty in foreign relations, give full play to the validity and vitality of its independent foreign policy, actively support the countries and nations fighting for independence and work hard to develop international relations based on the principles of independence and equity as ever.

This is stressed in NODONG SINMUN today.

The great leader Comrade Kim Chong-il in his famous work "The Workers' Party of Korea Is the Party of the Great Leader Comrade Kim Il-song" said:

"The independence of a country and nation is the basis for fair international relations, and an independent foreign policy is the justest and most principled foreign policy."

The paper says in a signed article:

An independent foreign policy is just because it reflects the main trend of the present time and embodies the intrinsic demands of humanity and the equal rights of the countries and nations.

It is now an era of independence. It is a law that history advances and the era develops.

Today the peoples of many countries fight for justice and progress and promote the independent advance of history with responsibility for their own destiny. This is an irresistible trend of the times.

Only when all countries and nations pursue an independent foreign policy can they push ahead with the trend of the times toward independence and promote the building of an independent, new world.

They have independent and equal rights as members of the international community. In international relations, no country can be higher than others and can issue orders to others.

If a country fails to pursue the foreign policy from an independent stand and principle, it will inevitably have its sovereignty and interests violated and may be a subordinate of the dominationists.

Only when all countries and nations mutually respect independence and pursue an independent foreign policy is it possible to guarantee the sovereignty of every country, develop fair international relations based on independence and build an independent, new world, the common cause of humankind.

Foreign Papers Carry Kim Chong-il's WPK Work

SK0412115795 Pyongyang KCNA in English 0954 GMT 4 Dec 95

[FBIS Transcribed Text] Pyongyang, December 4 (KCNA) — The great leader Comrade Kim Chong-il's famous work "The Workers' Party of Korea [WPK] Is the Party of the Great Leader Comrade Kim Il-song" was carried by the Ghanaian papers WEEKLY SPECTATOR and WEEKLY INSIDE, the Zairean paper LE NOUVEAU MONDE, the Thai paper XIN ZHONG YUAN RIBAO and the Yemeni paper AS-RAI AL-AAM [name of newspaper as received].

Comrade Kim Chong-il, in his work published on October 2, 1995, expressed his firm faith to develop the WPK into the party of the great leader Comrade Kim Il-song for all ages.

'Loyalty' Reason for Postponement of Succession

SK0612125895 Pyongyang KCNA in English 0951 GMT 6 Dec 95

["President Kim Il-song-Type Great Man" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA) — The leader Kim Chong-il is a great man of President Kim Il-song-type, who was a most outstanding great man ever in history, stressed Shuhachi Inoue, director general of the International Institute of the Chuche Idea, who is the first "International Kim Il-song Prize" winner, in an article contributed to NODONG SINMUN December 4.

Noting he was deeply impressed, during his several rounds of Korea visit, by the distinguished traits of the leader Kim Chong-il, a peerless great man, the author elaborates on his noble moral fidelity for the president, outstanding ideological and theoretical wisdom, leadership art and virtues.

The article reads in part:

The leader Kim Chong-il has been postponing his official election. I am convinced that it is not because there is no wish and request from the people but because of his view of life based on loyalty and fidelity. He takes it as his mission to exert himself to hold President Kim Il-song in higher esteem than in his lifetime and carry into practice the ideology and cause of the president.

The ingenuity and greatness of the leader Kim Chong-il, who is just like President Kim Il-song in ideology, has been proved eloquently by the fact that during his tireless ideological and theoretical activities, he formulated the president's revolutionary idea, which is so rich and profound that it cannot be contained in thousands of volumes, in a laconic and perfect way as an integral system of the chuche-based ideology, theory and method.

The history of great changes and creation effected in Korea over the latter half of the 20th century, during which the appearance of modern Korea has taken a new look — the amazing history of construction and changes — is directly connected to the August name of the leader Kim Chong-il. Everyone of the Korean people, man and woman, old and young, considers it to be a particular honour and pride.

The art of Korea, which stands in the limelight of the world from long ago, too, is not thinkable but for the outstanding artistic talent of the leader Kim Chong-il.

The multi-part feature film "The Nation and Destiny" is a typical example of the great leader Kim Chong-il's outlook on the philosophy, the life and the beauty. It is one of world-wide masterpieces.

The tenacious blockade and stifling moves of the nuclear superpower and its followers against Korea, committed under the pretext of "nuclear suspicion", were broken to pieces as a bubble in the eyes of the world focused on Korea in apprehensions and anxiety, by the decisive and resolute counter-measure and superb tactics of the great leader Kim Chong-il.

In particular, the planet admired the outstanding sense of principle, decisiveness, superbness and unparalleled courage of the leader Kim Chong-il, with which he drove the sole nuclear superpower into impasse and subdued it in constant political, military and diplomatic confrontation in the world's eyes on the one hand and mercilessly gave a stern criticism to the despicable acts of renegade socialists on the other hand in the early 1990s.

The chuche idea is the idea of President Kim Il-song and of the leader Kim Chong-il as well.

The leader Kim Chong-il is, indeed, a recognized great man and guider of the century, who is promoting and leading the present-day grand onward march with the chuche idea, at the centre of history.

With the leader Kim Chong-il, who is great in ideology and philosophy, outstanding in leadership ability and trait and noble in personality and virtues, as a steerman of the time and the sun of guidance, mankind's cause of independence, the cause of socialism, will inevitably advance dynamically along the orbit of chuche, overcoming pains and trials.

Steadfastly Defending Kim Il-song's Feats Urged

SK0612051195 Pyongyang KCNA in English
0357 GMT 6 Dec 95

["NODONG SINMUN Calls For Glorifying Feats of Comrade Kim Il-song in Party Building" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA) — What is the most important in further strengthening and developing the Workers' Party of Korea [WPK] and dynamically advancing Korean socialism as required by the developing revolution is to steadfastly defend and glorify the feats performed by the great leader Comrade Kim Il-song in party building, says NODONG SINMUN in an editorial today.

His feats are vital to our party and revolution and they are priceless wealth of eternal value, the paper says, and goes on:

The important content of his feats is that he expounded chuche- based ideologies and theories on party building, consummated them in an overall way, founded a revolutionary party of chuche type and strengthened and developed it to be an invincible party.

It is the greatest one of his feats in party building that he founded a chuche-type revolutionary party guided by the chuche idea, the first of its kind in the history of the communist movement.

What is particularly important in his feats in party building is that he built our party in a forward-looking way so that its cause can be carried forward successfully.

The idea and leadership of the respected leader Comrade Kim Il- song have been inherited creditably by the great leader Comrade Kim Chong-il.

Only when Comrade Kim Il-song's feats in party building are kept shining, is it possible to strengthen and develop ours to be the glorious party of Comrade Kim Il-song, holding him in high esteem as the eternal leader of our party and revolution and is it also quite possible to advance our revolution triumphantly.

Carrying on party building and party activities as Comrade Kim Il-song did is the most important in glorifying the feats he performed in party building.

Doing so is essential for steadfastly defending and glorifying his feats.

If his feats are to be glorified, it is also necessary to remain unfailingly loyal to the idea and leadership of Comrade Kim Chong- il.

Steadfastly defending and always glorifying the feats of Comrade Kim Il-song in party building through generations is the unshakable faith and will of the WPK and the Korean people, the paper stresses.

WPK Secretaries Meet With Meeting Participants

SK0312104395 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 27 Nov 95

[FBIS Translated Text] Yesterday, secretaries of the Workers Party of Korea [WPK] Central Committee visited the lodgings of participants to the second meeting of forerunners of the movement to win the red flag of the three revolutions who arrived in Pyongyang.

Comrades Chon Pyong-ho and Han Song-yong, members of the Political Bureau of the WPK Central Committee and secretaries of the WPK Central Committee; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the WPK Central Committee; and Comrades Kim Ki-nam, Kim Kuk-tae, and So Kwan-hui, secretaries of the WPK Central Committee, visited lodgings in the city and met with participants in the second meeting of forerunners of the movement to win the red flag of three revolutions.

The flag bearers of the three revolutions have brought about glorious feats by vigorously carrying out the three revolutions— ideological, technological, and cultural— in all areas of socialist construction with ardent loyalty to the party and leader [suryong]. The WPK secretaries congratulated the flag bearers of the three revolutions for participating in the meeting and expressed their firm belief that the flag bearers of the three revolutions would make momentous turns in the three revolutions aimed at further enriching our country, our fatherland, and completing the chuche revolutionary cause to the end.

Yi Chong-ok, Pak Song-chol at Award Ceremony

SK0312103895 Pyongyang KCNA in English 0655 GMT 3 Dec 95

[FBIS Transcribed Text] Pyongyang, December 3 (KCNA) — State commendation was awarded to participants in the second conference of forerunners of the Three-Revolution Red Flag Movement at the Mansudae Assembly Hall on Saturday [2 December].

Letters of commendation of the great leader Comrade Kim Chong-il were given to 42 participants who set examples in carrying out the party's line and their revolutionary tasks through the powerful three revolutions, ideological, technical and cultural, upholding the programme of modelling the whole society on the chuche idea.

The title of Labour Hero of the Democratic People's Republic of Korea was awarded to three and orders and medals to many participants.

Yi Chong-ok and Pak Song-chol, Politburo members of the Central Committee of the Workers' Party of Korea and vice-presidents, were present at the awarding ceremony.

Prior to this, gifts were conveyed to the entire participants in the conference thanks to the solicitude of Comrade Kim Chong-il.

Meeting Marks Kim Chong-suk Guidance Anniversary

SK0312102895 Pyongyang KCNA in English 0653 GMT 3 Dec 95

[FBIS Transcribed Text] Pyongyang, December 3 (KCNA) — North Hamgyong provincial meeting was held on Saturday [2 December] in Chongjin to mark the 50th anniversary of the first on-the-spot guidance of Comrade Kim Chong-suk, an indomitable communist revolutionary fighter.

In the latter half of November of 1945, 50 years ago, Comrade Kim Chong-suk visited North Hamgyong Province, the northern area of the country, and stayed there nearly for a month, energetically conducting revolutionary activity to carry through the line of the great leader President Kim Il-song on building a new country.

Yi Kun-mo, chief secretary of the North Hamgyong provincial party committee and chairman of the provincial People's Committee, made a report.

He said that Comrade Kim Chong-suk, finding no time to remove her fatigue after triumphal return to the fatherland, visited Chongjin Steel Works, Chongjin Iron and Steel Works (now Kim Chaek Iron and Steel Complex), Chongjin Textile Mill (now Chongjin Chemical Fibre Mill), Puyong Metallurgical Plant (now Puyong Alloy Complex) and Komusan Cement Factory in North Hamgyong Province, and indicated to officials and workers the orientation and ways of rapidly rehabilitating the factories which were severely destroyed by the Japanese imperialists taking to flight.

She first met workers who had turned out in the now country building, not going to nearby Hoeryong, her native place which she wanted to visit even in dream.

She acquainted herself with the party work in the province in detail and found mistakes in time to correct them during her energetic revolutionary activity in the province. And she also strove to establish the genuine people's power according to the will of Comrade Kim Il-song.

The reporter stressed that the whole life of Comrade Kim Chong- suk was a noble life of a woman revolutionary who personified the noble idea of President Kim Il-song believing in the people as in heaven and brilliantly embodied it.

Meeting Marks Anniversary of History Museum

SK0612051495 Pyongyang KCNA in English
0340 GMT 6 Dec 95

[FBIS Transcribed Text] Pyongyang, December 6 (KCNA) — A meeting to mark the 50th anniversary of the founding of the Korean Central History Museum was held here on Tuesday.

The great leader President Kim Il-song, deeply seeing through the importance of the work of correctly inheriting and developing the national cultural heritage and educating the working people and youth and children in the spirit of patriotism, founded the Korean Central History Museum on December 1, 1945.

The Central Committee of the Workers' Party of Korea sent a congratulatory letter to the researchers, lecturers and employees of the museum on the anniversary. The letter said that over the past 50 years, the museum has conducted energetic activities for collecting and preserving the national cultural heritage and organizing people's visits to it under the wise guidance of the party and the leader, thereby scoring big success in making the people have a better knowledge of the history and culture of Korea and educating them in the spirit of patriotism.

The congratulatory letter expressed the firm belief that the researchers, lecturers and employees of the museum will fulfil their revolutionary tasks in a responsible manner, united in one mind around the great leader Comrade Kim Chong-il and live up to the trust and expectation of the party with credit.

Chang Chong-sin, director of the museum, made a report which was followed by speeches at the meeting.

The reporter and speakers recalled that President Kim Il-song founded the museum soon after the liberation, clearly indicated how it should develop and, in the rigorous period of the fatherland liberation war, took a wise measure to well preserve the cultural remains and materials of national treasure including the Yijosillok (the true records of the Yi dynasty).

Under the wise guidances of President Kim Il-song and Comrade Kim Chong-il, the museum has been expanded as a centre for collecting, preserving and making research into cultural relics, keeping a number of historical relics, and has turned out to be a powerful centre of historical education which gives the working people, youth and children the profound knowledge of the nation's history and culture and fosters the Korean-nation-first spirit, they noted.

The meeting was attended by Choe Tae-pok, alternate Politburo member and secretary of the WPK Central Committee.

Officials Note Gains in Electricity Production

SK0612045395 Pyongyang Korean Central Broadcasting Network in Korean
1200 GMT 3 Dec 95

[FBIS Translated Text] The electric power producers across the country—who are accelerating the march with overflowing confidence in victory and optimism at the final stage of production this year while upholding the party's revolutionary economic strategy—are waging a vigorous struggle to send more electricity to various sectors of the people's economy.

Reporter Kim Tok-sang from the Central Broadcasting Station interviewed Kim Ki-hyok, director of a department of the Power Ministry, and Yi Kap-su, manager of Changjagang Power Station.

[Begin recording] [Kim Tok-sang] The power stations across the country are waging a more vigorous struggle to produce more electricity this year with the end of the year approaching, aren't they?

[Kim Ki-hyok] That is right. Upholding the party's revolutionary economic strategy, the electric power producers across the country are waging a vigorous struggle to send more electricity to various sectors of the people's economy, attaining a considerable success daily.

In particular, the electric power producers of the hydroelectric power stations are normalizing production at a high level by effectively waging the struggle for the production of electric power at the final stage of production this year. Therefore, in November alone, we attained a success of producing (?661 million) kwh more of electricity over the same period last year.

In particular, the functionaries and workers of (?Pujongang) Power Station thoroughly maintained a high water level and high- efficiency operation and reasonably distributed power output. By so doing, the station is producing 8.9 million kwh more of electric power over the same period last year, supplying electricity for plants in a responsible manner.

Meanwhile, the electric power producers of Taechon Power Station and Kangye Chongnyon Power Station carried out the management of facilities and machines scientifically. Operating the facilities at full capacity without any accidents at all, Taechon Power Station and Kanggye Chongnyon Power Station attained a proud success of increasing the electric power production by 22.1 million kwh and 25 million kwh, respectively, over the same period last year. [end recording]

I think the working class of Changjagang Power Station is continuing to normalize electric power production at a high level with the same spirit it had in overfulfilling the yearly electric power production plan.

[Begin Yi Kap-su recording] That is right. The electric power producers of Changjagang Power Station overfulfilled the yearly target, which is much higher than that of the previous year, by 1 percent as of 15 November. Without loosening this pace, our power station is attaining the success of producing 1 million kwh more of electric power over the same period of last year in an effort to yield more electricity than the yearly target by installing a cooling machine on our own and operating the facilities at full capacity.

Without being conceited about the success we have attained, we will continue to efficiently organize the production in conformity with the conditions in winter, thus normalizing electric power production at a high level. By so doing, we will contribute much to meeting the increasing electricity demand of the people's economy. [end recording]

South Korea

Editorials Comment on U.S. SOFA Talks

SK0212074095

[FBIS Editorial Report] The following is a compilation of editorials published in the ROK vernacular dailies on 30 November and 1 December on the ongoing ROK-U.S. talks on the revision of the Status of Force Agreement [SOFA].

The moderate HANGUK ILBO on 30 November carries on page 3 an 800- word editorial entitled, "Revision of SOFA Must Be Conducted." The editorial expresses strong regret over "various chronic and unceasing violent crimes by U.S. soldiers stationed in the ROK," and notes that "Korean victims suffer unfairly" because the Status of Forces Agreement is a "wrongful, unfair treaty which is unfavorable to the ROK side."

Noting "a change in the criminal jurisdiction of indicted U.S. soldiers to the ROK as being the focal point of the talks," the editorial particularly pinpoints Article 22 of SOFA, which specifies how criminal suspects of the U.S. Forces in the ROK are to be handled, as a "grossly unfair, virulent article," and urges its full-fledged amendment.

The editorial also stresses the need to prepare "specific procedures and regulations for civilian victims to claim payment from U.S. military offenders for damages," and notes: "The current SOFA allows victims to claim damages, but fails to specify procedures. Accordingly, few people have received reparations so far." The editorial adds: "The immunity from custom charges must be reexamined. Currently, this privilege is given not only to U.S. servicemen but also to their families and relatives. However, their relatives must be excluded from the preferential group, as it is in the U.S.-Japan agreement."

The left-leaning HANGYORE SINMUN on 1 December carries on page 3 an 800-word editorial entitled, "Principle of Equality Must Be Reflected in SOFA." The editorial says "the agreement is filled with unfair contents and has infringed upon our national dignity" and continues by saying: "The United States must have obtained the ROK's approval of the unfair agreement it drafted, under the pretext of its certain contribution to the ROK's security. As a result, the United States has been able to take measures, beyond the level that is internationally acceptable, to protect accused U.S. servicemen, thus hurting our people's feelings and exerting a negative influence upon the friendship between the two countries."

The editorial stresses that "the principle agreed upon and announced by the two countries that 'SOFA will be revised in compliance with other agreements the United States signed with other allies and that U.S. Forces stationed in the ROK should have a position commensurate with the position of those in other countries' should be adhered to." The editorial then notes "we notice that we often lose more than we gain in agreements with the United States, and it is difficult to believe this is merely accidental" and asks the government "not to disappoint the people and give cause for more grievance, by being overwhelmed by the skillful negotiation ability of the United States this time, too."

The pro-government SEOUL SINMUN on 1 December carries on page 3 a 600-word editorial entitled, "SOFA Talks Should Be Future-Oriented." Insisting on the revision of SOFA "based on a future-oriented viewpoint," the editorial says "we insist on this because the current SOFA is a product of the Cold-War era." The editorial continues: "There have been great changes in the situation. The work to revise SOFA must be conducted with the 21st century, which is just five years away, in mind. ROK-U.S. relations must basically be that of equals."

The editorial notes that since agreements with Japan and Germany are problem-ridden, that "revising SOFA in accordance with the level of agreements with Japan or Germany is inappropriate." The editorial then suggests that instead of trying to revise specific parts of SOFA, that a "more comprehensive approach" to revision be used and that the agreement be applied more ingeniously." The editorial concludes by saying: "SOFA should serve as the cornerstone in ROK-U.S. relations, not as an obstacle."

The moderate KYONGHYANG SINMUN on 1 December carries on page 3, a 700-word editorial entitled, "ROK-U.S. SOFA Must Be Revised Properly." The editorial explains the "active" ROK attitude and the "inactive" U.S. attitude on the revision of SOFA and says that while "a formal revision of SOFA may cause new trouble between the two countries," everything that has been the cause for trouble should be settled. The editorial notes "many unfair articles of SOFA infringe upon the country's sovereignty and greatly hurt the people's feelings" and reiterates the need for the "fair revision" of the agreement, saying: "The world has changed greatly. The United States has changed, and the ROK is not what it was in the past. The environment has also changed. World order aspires for a society of equals."

Ministry's 'Dilemma' Over U.S. Firm Viewed

SK0612030795 Seoul THE KOREA TIMES in English 6 Dec 95 p 9

[By staff reporter Yi Chang-sop]

[FBIS Transcribed Text] Regulators have begun a critical review of their plan to allow the U.S.'s Salomon Brothers to set up a joint venture securities firm with Anam and other Korean companies this month. Their review kicked off with the cancellation by the Ministry of Finance and Economy (MOFE)'s Foreign Direct Investment unit of a license for the 100-million-dollar venture capital operation run by a subsidiary of the U.S. financial group here yesterday.

The MOFE's FDI unit asked Samchully Venture Capital run by Solom Int'l—a subsidiary of Salomon Brothers—to withdraw its investment from Korea before May next year. It said despite repeated warnings, the venture fund "illegally" used its money to invest in local stocks, bonds and high-yielding money market instruments, and not in start-up firms.

The license cancellation comes just days before the Securities Policy Division of the Ministry of Finance and Economy is due to "issue a formal license" for the launch of the nation's second joint venture securities house by the Anam Group and Salomon Brothers. The joint venture, in which Salomon and its sister firms control 49 percent, Hannuri-Salomon Brothers, recruited about 70 staff to start business this month.

A MOFE official said "We must check to what extent the Salomon Brother's subsidiary, Solom Int'l, was involved in the illegal activity." But he said, "It would be premature to conclude that we have decided against licensing the second joint venture." Under the current rule, foreign financial brokerage houses must wait for at least three years to open shop here after being implicated in illegal activity.

Solom is creating a dilemma for MOFE. If the Securities Policy Division decides to allow the launch of the joint venture brokerage house, ignoring the FDI unit's decision to close down the Samchully Venture Capital Fund, this might raise criticism that different units of the ministry are not cooperating with each other. At the same time, it might give the impression that Seoul was bowing to U.S. pressure if it let the wayward brokerage house do business, critics said.

A decision not to issue a license might invite strong criticism from the Salom Brothers which has already recruited staff, analysts said. The issue may degenerate into a trade dispute between Seoul and Washington.

In fact, Seoul officials were reluctant to allow the entry of new foreign players in the crowded stock market in the first place. U.S. Assistant Treasury Secretary Jeffrey R. Shafer repeatedly showed interest in Salomon's entry into Korea in his meetings with Korean officials last year. In fact, giving Salomon the go-ahead was a political gift to the United States, a government source indicated.

The way Salomon Brothers has been doing business around the world has been frowned upon. Just a few years ago, it was slapped with disciplinary action for manipulating U.S. bond investments. It is also suspected of breaking a rule in an European securities operation.

Solom Int'l has long been suspected of using its Korean venture capital fund, Samchully Venture Capital Fund, as a money laundering vehicle for ex-president No Tae-u. Sin Myong-su, chairman of the Dongbang Corp. group and a relative by marriage, divested himself of his 15 percent equity investment in the venture fund last January.

Samchully Venture Capital Fund has been managed by Kim Sok-ki, husband of famous actress Yun Sok-hwa. Kim has long been "persona non grata" within the Ministry of Finance and Economy for his dubious activity in the domestic financial market. Kim was blocked from becoming an executive or making an equity investment in the to- be-established securities firm, according to regulators. Despite this, Kim acted as an agent launching the joint venture brokerage house.

North Said Not To Participate in U.S. Olympics

SK0612145095 Seoul KBS-1 Radio Network in Korean 1430 GMT 6 Dec 95

[FBIS Translated Text] It has been learned that North Korea will not participate in the Atlanta Olympics next year. In a final report submitted to the International Olympic Committee, Plinpin [name as heard], chairman of the Atlantic Olympic Organizing Committee, said today that two countries, North Korea and Afghanistan, will not participate in the Atlanta Olympics, while 195 other countries will participate.

Saudi Daily Says DPRK Involved in Drug Trade

SK0612064695 Seoul CHOSON ILBO in Korean 6 Dec 95 p 15

[Report by reporter Ku Song-chae]

[FBIS Translated Text] AL-RIYAD of Saudi Arabia recently said it has evidence that North Korea secretly produces and sells over 25 tonnes of opium per year, thus earning $300 million.

On 29 November, the paper carried an editorial entitled "The Tragedy of North Korea" in which it reports that "there is evidence to prove that the North Korean regime is engaged in producing and smuggling narcotics to make money," and that "immediate and comprehensive measure is necessary against this kind of wicked act, which is unprecedented in the world."

The paper continued: "The cultivation of narcotics thrived in North Korea under Kim Il-song's direction. We have evidence to prove this." It also reported: "While North Korean leaders live luxurious lives with the foreign currency earned from the drug trafficking, the lives of millions of people are threatened due to the lack of daily necessities."

North Korea exported a large quantity of morphine and opium during the eighties under the pretext of sending medical supplies to North Korean loggers in Russia. It was uncovered in August 1994 that North Korea secretly transported 8.5kg of narcotics to Russia, which is enough to inject all Muscovites. A Russian daily recently reported that a North Korean agent of the Public Security Ministry was arrested in August 1995 for attempting to carry 500 grams of heroin into Beijing. It also reported that North Korea has established an office in charge of drug trafficking under the Workers Party of Korea and is engaged in the state-level business of earning foreign currency through drug trafficking.

DPRK Workers in Russia Respond to Survey

96P30047A

[FBIS Editorial Report] The 24 August Seoul SISA JOURNAL in Korean on pages 70-72 reported the results of a survey on the social and political views of North Korean construction workers in Tver, Russia, conducted from September 1994 to July this year for the magazine by a group of economics professors and students from Moscow University and a Tver resident. According to the survey, to which 475 out of 600 workers responded, 59 percent of the respondents believe that South Korea would fall, while 24 percent said that it would not. Many of those who did not think South Korea would collapse listed the assistance of the United States and other capitalist countries in Europe as the major reason for South Korea's ability to maintain its current system. The magazine also reported that 65 percent of the workers, mostly skilled laborers working on the construction of apartment buildings in the middle of the city, believe that socialism based on the chuche ideology is being "well developed" in North Korea, while 23 percent disagreed.

Regarding reunification, 91 percent of those surveyed are opposed to German-style reunification. Some 178 of the respondents said that East and West Germany have failed to elicit a consensus among their citizens, and reunification was achieved through political decisions made by top leaders, resulting in economic suffering for East Germans. Furthermore, 32 percent think Russia and the CIS would have the greatest impact on the Korean reunification, while China and the United States were mentioned by 29 percent and 24 percent of the respondents, respectively. Only 4 percent of the North Korean workers picked Japan to play a major role in reunification. Regarding the fall of the former Soviet Union, 66 percent of those surveyed believe that socialism would be restored some day.

Reduction of Japan Military Role in Asia Urged

SK0612064295 Seoul SEOUL SINMUN in Korean 1 Dec 95 p 10

[Article by Pak Hwa-chin, head of SEOUL SINMUN's editorial department, from the "Pak Hwa-chin Column": "Security in Northeast Asia and the Japanese Military's Role"]

[FBIS Translated Text] Amid the new Northeast Asian security order developing after the end of the Cold War, the role of the Japanese military, namely the Self-Defense Forces, has frequently and daringly become a subject of discussion. Invincible security elements are emerging in Northeast Asia. As regards the U.S.-Japan Security Treaty, this centers on the United States and Japan. The discussion of this matter is unfolding, with attention turning to signs of change on the Korean peninsula's surrounding environment.

The U.S.-Japan Security Treaty is a military alliance treaty that assumes the former Soviet Union as the enemy. The termination of a potential enemy makes it necessary for changes to be made in the treaty, and a hasty theory of uselessness had emerged.

However, irregardless of the end of the Cold War, the U.S. Government reveals there is no change in its basic recognition of the necessity to maintain the U.S.-Japan Security Treaty, believing this understanding to be correct.

In February, the U.S. Department of Defense announced its security strategy in East Asia and the Pacific, saying: "While adhering to U.S.-Japan alliance, we will maintain 100,000 U.S. soldiers in Asia, centered on the ROK and Japan." Defense Minister Perry added that despite the end of the Cold War, the U.S.-Japan alliance is regarded by the United States as the most important relationship, emphasizing: "It is just like air; we will know its invincibility only after it has disappeared." Thus, new significance is being bestowed upon the U.S.-Japan security system as a deterrent to the Korean peninsula's unstable situation and the PRC's massive increase in armaments. When Clinton visits Japan in January, it is predicted the importance of the U.S.-Japan Security Treaty will be emphasized.

There is no reason for us deny the significance and importance of the U.S.-Japan security alliance system. In particular, as one of the restraining influences against a possible reckless provocation by North Korea, the continuation of the U.S.-Japan alliance by all means helps our own security. However, we are worried about the side effect it may cause if the U.S.-Japan security alliance treaty system is exceedingly emphasized, or if we become too dependent on it. There is concern that Russia and the PRC may unnecessarily be alienated or stimulated, and there is also a danger that Japan's military capability may be exceedingly inflated.

Despite the collapse of the former Soviet Union and the end of the Cold War, Asia wants the U.S. presence because, if the United States leaves, the possibility exists that the PRC or Japan, especially Japan, may try to fill the role and pursue supremacy over Asia. The United States must bear in mind that other Asian countries anticipate U.S. effectiveness in restraining the PRC, which Japan wants, but also in restraining Japan. We must not forget the emergence of a strong reunified Korea of 70 million people that can restrain and mediate the PRC and Japan.

Recently, Japan began to reveal its arrogance by unhesitatingly justifying and beautifying its past aggressive war and imperialist colonial rule in its words and deeds. If such a Japan is capable of becoming the world's strongest economic power and strongest military force in Asia, what kind of appearance will it show? There is no law against Japan once again advocating the "Greater Asian Co- prosperity Sphere" and professing to be "Asia's leading power." Through the U.S.-Japan Security Treaty, it will be good for the United States to take measures against the threat posed by North Korea and to restrain the PRC, but there must be no negligence in restraining Japan as well.

In particular, the recent report that in April the U.S. Forces in Japan considered the possibility of dispatching Japanese Self- Defense Forces to the ROK in case of an emergency makes us nervous. The U.S. Forces in Japan cannot escape criticism of their irresponsible and thoughtless act, which misunderstands and ignores the subtle sentiment toward Japan that the people of the ROK and of Asia possess.

The role of the Japanese military in Asia must be limited to self-defense and to assisting the peaceful security of the U.S. forces. Japan must not expand its role in place of the United States. This is the belief of our country as well as Asia. In particular, we will by no means tolerate a situation in which Japan, which in its arrogance refuses to reflect on its past and which has a distorted view of history, directly interferes or exercises an influence regarding the Korean peninsula, including the issue of reunification.

OECD Insurance Committee Requirements Met

SK0212054095 Seoul YONHAP in English 0410 GMT 2 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 2 (YONHAP) — South Korea was declared eligible for membership into the Organization for Economic Cooperation and Development (OECD) Saturday in terms of insurance market opening, the Foreign Ministry said.

The OECD recently informed Seoul that its initial examination of South Korea's schedule for insurance market opening concluded that the country meets the requirements for entry into the organization, according to a ministry spokesman.

An OECD Insurance Committee will report the result to its main body's council for final approval, he said.

To determine the nation's eligibility to enter the fields of trade and investment and capital movement, South

Korea will face next April examinations by respective OECD committees such as the Committee on International Investment and Multinational Enterprises and the Committee on International Capital Movement and Invisible Transaction.

Seoul Plans To Implement Tougher Laws on IPR

SK0612015595 Seoul THE KOREA HERALD in English 6 Dec 95 p 8

[FBIS Transcribed Text] Intellectual property rights (IPR) will be better protected in Korea in the future as the government plans to implement tougher laws on patents, copyright, trademark and other intellectual properties.

Eight IPR-related laws, which has recently passed the National Assembly, will be phased in from next year, the Ministry of Finance and Economy said yesterday.

The legislation of the tougher laws is in line with the government's policy to abide by the World Trade Organization's agreement on IPR, or TRIPs [Trade-Related Intellectual Property Rights], the ministry said.

The revised trademark law, to go into effect Jan. 1 next year, will include colors as a component of trademark in addition to signs, letters, diagrams, or a combination of them.

Starting in July next year, the duration of patent rights will be extended to 20 years from the day when the application for a patent is made public. Currently, patent rights are guaranteed for 15 years from the day when registration is publicly disclosed.

Under the new copyright law which will take effect form July next year, foreign books and other publications put out after 1957 will be protected from piracy. Books and literary works, whose authors have been dead since 1957, will also be protected from copyright violations.

Currently, copyright protection is accorded on foreign books and publications published after 1987.

But the law will provide a grace period for unauthorized copies of foreign books and publications which have already been published.

Pirated books and publications, published before 1995, will be allowed to be sold till the end of next year, while those put out between January and June of next year will be exempt from copyright violations till June next year.

Translations of foreign books published before 1995 will not be subject to the new copyright law till 1999. Those put out between this year and June of next year will not be affected till June next year.

Under the revised law on computer software, renters of foreign video game cartridges or those who distribute them on-line will be required to obtain prior permission from copyright holders or their local agencies.

Students, Citizens Rally, Demand Prosecutors

SK0312010195 Seoul THE KOREA HERALD in English 3 Dec 95 p 3

[FBIS Transcribed Text] Student activists and citizens held a rally in Seoul yesterday and demanded that special prosecutors be appointed to make a fair and thorough probe into the bloody suppression of the pro-democracy movement in Kwangju in 1980.

They also strongly criticized a statement issued by former President Chon Tu-hwan early yesterday in which he said he will not cooperate with a summons issued by the prosecution for questioning on his role in the Kwangju massacre, which left about 200 people dead and over 1,000 injured.

At a rally held in Chọngmyo Park in central Seoul, some 1,500 people urged the government and its ruling Democratic Liberal Party to name politically neutral prosecutors to probe the military suppression of the civic uprising. The rally was organized by an alliance of dissident organizations, called "Chonkuk Yonhap."

"Appoint special prosecutors," ralliers yelled, some waving banners which read, "Arrest Chon Tu-hwan."

After the rally many of them marched toward the Myongdong Cathedral through the streets of Chongno and Ulchiro.

The march caused serious traffic congestion in nearby areas, inconveniencing citizens who were on their way home after work.

The ruling camp has refused to accept opposition parties' demand that special prosecutors be appointed to investigate those involved in the Kwangju tragedy.

Demonstrators argued that reinvestigations of those responsible for the Kwangju incident should not be assigned to the prosecution because it had earlier decided not to indict them.

Bill on Suspending Statutory Limitations Finalized

SK0612052595 Seoul YONHAP in English 0506 GMT 6 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 6 (YONHAP) — The ruling Democratic Liberal Party (DLP) finalized Wednesday a bill drafted by an ad hoc committee to punish the masterminds of the Dec. 12 and May 18 incidents at an executive council meeting and will shortly refer the bill to the National Assembly for deliberation.

The draft, entitled "A Special Bill Concerning Statutory Limitations for Prosecution of Crimes of Breaking Constitutional Rule," provides for suspension of the statute of limitations in order to prosecute those guilty of insurrection, military mutiny and other violations infringing upon constitutional order.

It specifically provides that the statute of limitations for crimes committed between December 1979 and May 1980 shall be considered as suspended during the period from Dec. 12, 1979, when the military coup occurred, and Feb. 24, 1993, when No stepped down as chief executive.

As a result, the statute of limitations for prosecuting former Presidents Chon Tu-hwan and No Tae-u on mutiny and insurrection charges will run out in 2009.

Accordingly, it paves the way for punishing the two ex-heads of state for their leading roles in the military putsch and the Kwangju tragedy, which claimed some 200 lives by official count.

The bill also provides that the statutory limitations for active accomplices in the coup and massacre shall be suspended for the period of the tenures of the two former leaders, thus paving the way for legal actions against Reps. Chong Ho-yong and Pak Chun-pyong.

But it provides that those having played minor roles in these anti-constitutional crimes shall be exempt from the application of this special law.

Accepting the opposition's demand for introducing a special prosecutor system, the bill provides that in the event that a protest is lodged against the outcome of a public prosecutor's investigation into the charges brought under this law, such as a decision to not indict, formal steps may be taken by the complainant to ask a judicial court to appoint a lawyer who is empowered to reinvestigate the charges.

The bill allows those who have been punished for condemning such "anti-constitutional crimes" like the Kwangju massacre to appeal for retrial, thus allowing such persons to restore their honor through court rulings.

Reportage on No Tae-u Situation Continues

Prosecution Confirms Fund Amount

SK0212110395 Seoul YONHAP in English
1057 GMT 2 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 2 (YONHAP) — The prosecution has confirmed 410-odd billion won [US$547 million] out of the 500 billion won former President No Tae-u admitted accepting in slush fund, a senior prosecutor disclosed Saturday.

An Kang-min, head of the Central Investigation Department of the Prosecutor-General's Office, said, "No's slush fund the whereabouts of which have thus far been confirmed totals over 410 billion won, mostly in the form of bank deposits or certificates of deposit."

The total sum of No's slush fund may exceed 500 billion won, the sources of which will be probed into even after indicting him, An said.

The prosecution plans to indict No in detention under charges of receiving bribes Monday [4 December] afternoon and announce the outcome of its investigation at the same time.

Bribes No accepted from business tycoons surpassed by 30 billion to 40 billion won the 235.8 billion won, confirmed on Nov. 16 when he was detained, according to the prosecution.

There is a variance of over 130 billion won between No's slush fund the prosecution has confirmed and the sum of bribes business tycoons have admitted giving to No. The prosecution suspects that the gap may come from slush fund No allegedly received from his predecessor Chon Tu-hwan or from businessmen's reducing the size of kickbacks they handed to No or both.

Announcing an interim outcome of its probe into No's slush fund scandal, the prosecution also plans to make public legal actions to be taken against business tycoons who gave No bribes and No's close aides like former lawmaker Yi Won-cho, No's Economic Secretary Kim Chong-in and Rep. Kum Chin-ho, an in-law of No's.

At the same time, the prosecution reportedly intends to reveal some slush fund of No that was funneled to politicians of both the ruling and opposition camps including that provided for the 1992 presidential election.

Trial Date Set for 18 Dec

SK0612052395 Seoul YONHAP in English
0451 GMT 6 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 6 (YONHAP) — The first trial on the secret fund scandal involving former president No Tae-u will be held Dec. 18 at the Seoul district court with the ex-president and seven conglomerates chiefs charged with bribing him to be present.

Indicted Tuesday without physical detention by the prosecution, such business tycoons who are slated to appear in court include Samsung Group Chairman Yi

Kon-hui and six others who have been charged with bribing No during his 1988-93 presidential term.

A court official said that a related trial will be held the same day for incumbent Lawmaker Kum Chin-ho, former Senior Presidential Secretary Kim Chong-in and former Legislator Yi Won-choe. These three have also been indicted without being detained for their involvement in raising No's secret fund.

The court's criminal department will also simultaneously inquire into Hanbo business Chairman Chong Tae-su, who has been detained on charges that he handed some 15 billion won in kickbacks to No.

Dailies on Investigation Results

SK0612103795

[FBIS Editorial Report] The following is a compilation of editorials from ROK vernacular newspapers published on 6 December commenting on the mid-term results of the prosecution's investigation into the slush fund scandal involving former ROK President No Tae-u.

Seoul CHOSON ILBO in Korean on page 3 carries a 1,000-word editorial titled "The Prosecution's Investigation Avoids the Heart of the Scandal."

The editorial first notes the prosecution's announcement that it was impossible to investigate where No Tae-u spent the money, saying: "If this is the sum total of the results of its investigation, it is truly disappointing, and we consider the prosecution's investigation to be an act of dodging its responsibility." It then describes the need for the prosecution to question various people who mentioned the possibility of No Tae-u giving money to politicians. Noting the lack of equality in indicting business leaders, it concludes: "The prosecution has said that it would continue the investigation of areas it failed to probe thoroughly. Still, it will be difficult for the prosecution to find the truth of the matter unless it clearly probes the political funds."

Seoul TONG-A ILBO in Korean on page 3 carries a 1,000-word editorial titled "The Indictment Is Not the 'End of the Investigation.'"

The editorial first notes the need to punish No Tae-u and sever political-economic ties. It then says: "The prosecution's announcement of the results of its investigation, in short, falls short of our expectations. It is necessary for the prosecution to continue the investigation of areas it failed to probe thoroughly. As we have stressed in our editorials over and over again, the heart of the scandal is how much money No Tae-u collected and where he spent it." The editorial expresses regret that the prosecution gave lenient treatment to lawmaker Yi Won-cho and says: "The remaining task for the prosecution is to probe whether No Tae-u and his relatives stashed away assets overseas, probe the controversies surrounding the Yulgok Project, and probe where the slush funds were used."

Seoul CHUNGANG ILBO in Korean on page 4 carries a 1,100-word editorial titled "Is Mr. Yi Won-cho Again a Sacred Cow?".

The editorial notes the prosecution's failure to probe the involvement of Yi Won-cho, Kum Chin-ho, and Kim Chong-in in the case and says: "The prosecution's investigation of the Gang of Three in the slush fund scandal was lax. We cannot understand why in the world the prosecution left shortcomings in the investigation and thus tainted its investigation, to which it devoted itself for the past 40-odd days, and damaged its credibility. Does this mean that there is still a sacred cow or sanctuary that even the Central Investigation Department of the Prosecutor General's Office cannot lay its finger on?"

Seoul HANGUK ILBO in Korean carries on page 3 a 1,000-word editorial titled "The Prosecution Must Disclose Whether Funds Were Given to Political Circles."

The editorial says the prosecution's announcement is disappointing and expresses regret about the prosecution's failure to disclose whether No Tae-u gave money to political circles. It concludes: "The prosecution said it would probe whether No Tae-u stashed away assets overseas and the irregularities in the Yulgok Project. As the expression 'mid-term results of the investigation' indicates, the prosecution must thoroughly investigate all unresolved issues. By so doing, it must gain the people's understanding and recover its authority."

Seoul KYONGHYANG SINMUN in Korean on page 3 carries a 1,000-word editorial titled "The Investigation of No Tae-u Is Insufficient."

The editorial first says: "The prosecution's investigation of the No Tae-u case is, in a word, insufficient." It then says: "The prosecution does not have to worry about politics. All it has to do is discover the truth through thorough investigation. And no one should intervene in the prosecution's investigation or make ill use of the results of the investigation politically."

Seoul SEOUL SINMUN in Korean on page 3 carries an 800-word editorial titled "The Probe of the Truth Has Just Begun."

The editorial says: "As a result of the indictment, No Tae-u will become the first former president ever in the history of the Constitution to stand trial. This shows there is no exception or sanctuary in the reforms and the campaign to eradicate irregularities." It then notes the prosecution's failure to explain controversial issues and says that the truth of the slush fund scandal must be probed in trials. It concludes that the trial must proceed quickly to remove the people's shock and their doubts.

Seoul HANGYORE SINMUN in Korean carries an 800-word editorial on page 3 titled "Announcement on the 'Slush Funds' Disappoints the People."

The editorial says: "The prosecution's previous declaration that it would take this opportunity to root out the wrongful political- economic ties has proven to be less weighty because the prosecution indicted almost all business leaders who received favors by bribing No Tae-u without detaining them." The editorial then expresses its pessimism about its future investigation and again calls for a thorough and objective investigation acceptable to the people.

Seoul MAEIL KYONGJE SINMUN in Korean on page 3 carries a 1,000- word editorial titled "Judicial Handling of the Slush Fund Scandal."

The editorial says: "We sympathize with the prosecution's rationale in indicting the business leaders. However, they are in a sense victims who were forced to give bribes. Even though there were a few exceptions, most of them would not have been tempted to voluntarily give money and receive favors in return if No Tae-u had not craved money." It again notes the need to give lenient treatment to the business leaders and says: "We like to recall the fact that political corruption is primarily responsible for the political-economic ties which we seek to sever."

Seoul MUNHWA ILBO in Korean on page 3 carries an 800-word editorial titled "The Present Is the Mirror of the Future."

The editorial says that the results of the investigation "fall short of the people's expectations" and notes the need to further investigate how No Tae-u collected money, whether Chon Tu-hwan gave money to No Tae-u, and whether No Tae-u stashed away money overseas.

Kim Yong-sam Pledges 'Rectifying' of Past Wrongs

SK0212054495 Seoul THE KOREA HERALD in English 2 Dec 95 p 2

[FBIS Transcribed Text] President Kim Yong-sam yesterday renewed his pledge to punish two of his military-backed predecessors for allegedly masterminding a military coup and a bloody crackdown on a civil uprising in 1980.

"We are now acting on the people's aspirations for rectifying wrongs of the past," Kim said in a speech to a ceremony dedicating the new Supreme Court building in southern Seoul.

Kim did not mention Chon Tu-hwan or No Tae-u directly, while he was referring to the special legislation being pushed by the ruling party to punish the two former Presidents.

"We must be extraordinarily resolved and determined to liquidate the historic misfortune which ruined constitutional order and saddened the people," he said.

Referring to the No slush fund scandal, Kim emphasized the need to cut off the chronic collusive links between politics and businesses.

"All of us must work together to do away with the improper practices of the past which degraded the morality of our society and undermined our international competitiveness," he said.

Kim's mention of undermined competitiveness apparently referred to the fact that Korean businesses had to provide huge sum of money to past Presidents in the name of "political donations" as the No scandal demonstrated.

The No scandal partly prompted Kim to reverse his position about the 1980 coup and the bloody suppression of pro-democracy protesters in Kwangju. He previously said the two incidents should be left to the judgment of history, thus ruling out any possibility of legal actions against the two ex-Presidents.

"We must fulfill this historic task without fail for the sake of the people's freedom and human rights and the healthy development of our society," he said.

In a separate speech at the Defense Ministry, Kim called on the South Korean Armed Forces to get ready for any possible military provocation by North Korea which he said may take advantage of the South's domestic political situation.

"We must prepare ourselves for a possible military attack from the North because they may misjudge our defense preparedness as weak because of the current political and social atmosphere," he said.

He visited the Defense Ministry to chair an across-board meeting of senior defense and security officials, including Prime Minister Yi Hong-ku, Defense Minister Yi Yang-ho and Chairman of Joint Chiefs of Staff Gen. Kim Tong-chin.

The President said that the situation in North Korea is "very serious" because of its international isolation and the near- bankrupt economy which worsened by huge flood damages.

He also noted that Kim Chong-il's failure to ascend his father's throne for more than one and a half years after Kim Il-song's death attests to instability in the North.

In a bid to keep its internal system intact, the North is intentionally arousing animosity against the South as seen by the harsher slandering campaign, dispatch of armed infiltrators and the advance deployment of jet fighters and bombers along the border line.

"Under these circumstances, we must be vigilant against the possibility that a desperate North Korea may opt for an armed provocation against us," Kim said.

"We should not forget for a moment the fact that the Korean Peninsula is the last site of the Cold War where a slightest provocation can lead to a war," he said.

Only by maintaining a firm defense posture, can South Korea force the North to give up its attempt to provoke the South and to come forward to the forum of dialogue and compromise, Kim said.

More Reaction to No's Scandal, Chon's Arrest

SK0612001695

[FBIS Editorial Report] The following is a compilation of editorials from 5 December ROK vernacular newspapers on the current situation due to the arrest of former Presidents Chon Tu-hwan and No Tae-u.

CHOSON ILBO carries on page 3 a 1,000-word editorial entitled "There Is No Complete Victory in the 'War of the State of Affairs.'" The editorial begins by stating "all political factions and people must take a deep breath and understand what the current situation is, then move on in dealing with that situation." The editorial adds that the current situation is "moving toward an uncompromising 'war.'" The editorial urges President Kim Yong-sam, Kim Tae-chung, Kim Chong-pil, and all sides involved in the current political situation who are "determined to die," dragging their enemies along as well, that "there can be no complete victory for anyone" in the current political situation.

HANGUK ILBO carries on page 3 a 1,000-word editorial entitled "Let the Prosecution Take Charge of the Investigation." The editorial begins by saying "political circles must come to their senses" because the people are confused about the current situation. The editorial notes: "It is not desirable for political circles to argue pro and con at a time when investigations by the prosecution are being carried out expeditiously." It also notes that "the re- investigation of the 12 December and 18 May incidents is somewhat overdue," but welcomes such a re-investigation. The editorial urges government and political circles to observe the on-going investigations, to not carry out acts that may influence the investigations, and to cooperate in the enactment of the 18 May special law. Noting that "our country is standing at a crossroad and turning point in history," the editorial concludes by urging "political circles to show a mature attitude" of cooperation to correctly liquidate the past.

SEOUL SINMUN carries on page 3 a 600-word editorial entitled "The National Attitude at This Time." While noting the arrest of two former presidents during the past two weeks, the editorial questions "what we have to do at this time." It says Koreans must act with reason and pay attention to the lessons history teaches us. The editorial continues to say we must see if there are any machinations in political circles, describes the people's attitude, and urges the judicature to show no bias in its investigation.

MUNHWA ILBO carries on page 3 an 800-word editorial entitled "The Investigation of the 'Multi-Stage Coup d'Etat' Must Be Thoroughly Conducted." Noting that the investigations of the 12 December and 18 May incidents are being conducted on a full scale, the editorial welcomes the prosecution's decision to investigate without exception all 35 people involved, including former president Choe Kyu-hwa who "holds the decisive key in revealing the process of the seizure of power." It urges Choe Kyu-hwa to respond to the prosecution's investigation, which he has rejected, thus causing difficulties in the investigation. The editorial advises the prosecution that, in the process of its investigation, it should be carried out thoroughly so there will be no suspicions, and that work must be carried out so Choe Kyu-hwa can be investigated without fail. The editorial stresses this is "to straighten out our distorted history."

TONG-A ILBO carries on page 3 an 800- word editorial entitled "The Economic Impact Must Be Minimized." The editorial begins by saying that "with the arrest of the two former presidents and the disunity within political circles, society is shaken and the economy is falling apart." The editorial notes that "no investment in today's economy means stagnation tomorrow," and that small and medium businesses will experience the most severe blow. The editorial also notes that "if the economy is shaken, then social apprehension will be accelerated," expressing concern about distrust by foreign countries for ROK businessmen and ROK products. The editorial urges that, in order to revive the economy, businessmen involved in the No Tae-u slush fund scandal should be indicted without being arrested, and should be given another chance to iron out the current difficult economic situation.

CHUNGANG ILBO carries on page 4 a 1,000-word editorial entitled "An Economy Which Is Wrapped Up in the Political Typhoon." The editorial expresses concern over today's economic instability by saying "the first sign of instability is the disappearance of an adventurous spirit by businessmen; second is the instability of prices in the domestic market." The editorial notes that today's situation, which is detrimental to the economy, "must be overcome as soon as possible." The editorial emphasizes that the work to liquidate the past should be conducted so it will minimize the negative influence it will have on the economy's stability. It also urges the government and political circles to pay attention to the current situation of businesses, noting that "businesses must not engage in the foolish act of withering our growth potentiality, using political instability as an excuse."

SEOUL SINMUN carries on page 3 a 600-word editorial entitled "There Must Be No Deterioration in the Economy." The editorial starts off by welcoming President Kim Yong-sam's initiation to liquidate the unfortunate past, saying it is our people's important task. It emphasizes in particular that "the work to solve the economic crisis must not be neglected." The editorial urges the work of liquidating the past to be entrusted to the judicature, and that each individual, including businessmen, must return to their ordinary lives and fulfill their duties and responsibilities.

HANGUK ILBO carries on page 3 a 1,000-word editorial entitled "Choe Kyu-hwa Must Open His Mouth." The editorial explains how former President Choe Kyu-hwa resigned from his post as president during the coup d'etat led by Chon Tu-hwan, saying "he was an unfortunate president." The editorial notes how Choe had not testified before the National Assembly's hearings on liquidating the Fifth Republic or during the investigations of the 12 December and 18 May incidents. However, it states that "the current situation is different," and that he should no longer remain silent. The editorial continues to emphasize that it is "inevitable for Choe Kyu-hwa to testify" in order to reveal the truth of the coup d'etat. It concludes by saying that if Choe refuses to testify this time as well, then "history's judgment on him will not be sympathetic."

KYONGHYANG SINMUN carries on page 3 an 800-word editorial entitled "Former President Choe, the Time Has Come To Reveal the Truth." The editorial talks about the current situation in which two former presidents have gone to prison, and why it was not possible to prevent the 18 May and all incidents related to it. The editorial deplores former President Choe Kyu-hwa for not revealing the truth, saying "he cannot escape history's responsibility because he brought about today's unfortunate situation." It continues: "Choe Kyu-hwa may be criticized for dereliction of duties or for assisting the coup d'etat." The editorial urges that, to dissolve all suspicions regarding Choe Kyu-hwa, Choe should testify because he is not a "common man" but remains a "public figure."

HANGYORE SINMUN carries on page 3 an 800-word editorial entitled "Talk, Choe Kyu-hwa." The editorial starts off by saying there is great interest in whether "Choe will open his mouth this time to give historical testimony." Noting that he has been uncooperative in the past, the editorial criticizes Choe as being "very cowardly and antihistoric." Stating that there are many things Choe must reveal before the people and history, the editorial urges Choe to thoroughly testify in order to clarify all suspicions regarding the coup d'etat.

DLP's Pak Kwan-yong Views Political Situation

SK0612020695 Seoul YONHAP in English 0148 GMT 6 Dec 95

[FBIS Transcribed Text] Washington, Dec. 5 (YONHAP) [dateline as received] — Pak Kwan-yong, former chief presidential secretary, said Tuesday that he expects the ruling Democratic Liberal Party (DLP) to disclose details of financial assistance it received from former president No Tae-u.

Pak, now here to deliver a lecture on Korean unification at the invitation of George Washington University, told the South Korean press corps here over lunch, "I understand that the party will make public the money it received from No."

Acknowleding that the DLP did receive party operation funds from No, Pak said, "President Kim meant to say that he did not receive money directly from No personally when he said he did not receive money from him."

Currently chairman of the DLP Tongnae-A district chapter, Pak speculated that an amendment to the constitution to adopt a parliamentary cabinet system will be debated following the forthcoming general elections.

The conservative opposition United Liberal Democrats (ULD) will uphold a constitutional revision to this effect in the upcoming general elections, Pak opined, while the major opposition National Congress for New Politics (NCNP) will remain undecided on the matter depending on how it will assess the chances for its leader Kim Tae-chung to be elected as the next president.

Referring to speculation that a democratic faction of the ruling party loyal to President Kim will form a new party, he said, "As far as I know, there is neither a plan nor intention to do so."

On the accusation among critics that the incumbent administration has been inconsistent in dealing with the issue of the 1980 Kwangju tragedy, Pak said, "Public anger and outcry at No's slush fund scandal were so great that the situation has changed." He added, "As far as I know, President Kim has long agonized over how to solve the May 18 issue."

Commenting on the incarceration of the two former presidents, he said, "To create a new history, one needs to carry out creative destruction. The administration, though it may be lacking some fine skill, is going in the right direction."

Querried if the May 16, 1961, coup led by Pak Chong-hui will also be covered in the ongoing liquidation of past legacies, Pak sidestepped, saying, "I myself am not in a position to make a responsible answer to that question."

But he said, "It is not that the government decided the scope of the liquidation in advance, but isn't the May 16 coup a bygone?"

More Reportage on Reaction to Chon's Statement

Citizens 'Furious' With Chon

*SK0212025995 Seoul YONHAP in English
0239 GMT 2 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 2 (YONHAP) — Many citizens, including civic organizations, were furious at former President Chon Tu-hwan's statement to the nation over the prosecution's decision to summon him for questioning about his role in the 1979 Army mutiny and the 1980 Kwangju massacre.

In a televised address to the public, Chon had taken a stiff attitude toward the government by stating his refusal to comply with the prosecution's summons.

Citizens charged that the ex-president has trampled on the people's yearning to establish a new order of justice by delving into the truths of the December 12 and May 18 incidents, demanding that all those responsible for both incidents be strictly punished by the law.

Sin Tae-kyon, 43, of the Citizens' Alliance for Economic Justice, angrily said that Chon's refusal to appear for questioning is "an act ignoring law and order," adding that he must be duly brought to justice because of the entire population's desire to "clear up the dark history of the nation" through a thorough probe of the two incidents.

Chairman Chong Hae-sok of the National Federation of Teachers Unions said she could not help but feel great anger at his attempt to avoid responsibility for the Kwangju massacre. She accused him of not having done any soul-searching on the tragedy, noting many citizens still vividly remember the pains they suffered during the incident.

Professor Kim In-kol of Seoul National University accused the ex- president of totally ignoring the people's demand for a thorough probe of the two occurrences as well as the public's desire for judgement on those responsible. Kim said that Chon should present himself to the prosecution to argue about his philosophy if he thinks such a probe into him is wrong.

Housewife Kim Yong-suk, 35, charged that Chon has evaded his accountability for the incidents which claimed hundreds of lives and set back the trend of history, adding, "He befooled the people and he should not be forgiven."

Lawyer An Sang-su, 49, demanded that the prosecution detain the ex-president and then start questioning him because his leading role in the Dec. 12 military revolt has already been confirmed.

Graduate student Yun Hye-sun, 30, said the government should appoint a special prosecutor to make a exhaustive probe of the Kwangju massacre and arrest all culprits in the incident.

She added, however, that she cannot clear herself of the suspicion that the government is hastily moving to investigate Chon in an attempt to avoid the presidential election fund issue involving President Kim Yong-sam.

Chongwadae Declines To Comment

*SK0212031695 Seoul YONHAP in English
0300 GMT 2 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 2 (YONHAP) — The presidential office, declining to comment on ex-president Chon Tu- hwan's public statement Saturday, hinted that President Kim Yong- sam's drive for rectifying alleged wrongs of the past will be pushed for in a more resolute manner. A Chongwadae [presidential offices] spokesman simply said that Chon's statement is not worth commenting on.

In his statement earlier in the day, Chon, the former head of the Fifth Republic, said he will not cooperate with the prosecution's reinvestigation into the Dec. 12 and May 18 incidents, voicing his harsh criticism of President Kim.

A senior presidential secretary said, "It would be right for Chon, as an ex-president, to actively cooperate with the prosecution's probe."

He said, "Chon must be aware that the prosecution is not what it was like under his presidency...I think a lot of people must have been disappointed with Chon's statement."

He said, "as far as I know, President Kim did not watch the live TV relay of Chon's statement."

NCNP, DP React to Statement

SK0212022995 Seoul YONHAP in English 0209 GMT 2 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 2 (YONHAP) — The opposition National Congress for New Politics (NCNP) took the occasion of ex-President Chon Tu-hwan's rejection of the prosecution summons to reiterate its demand for the introduction of a special prosecutor system.

Following the ex-head of state's statement, NCNP spokesman Pak Chi-won said Chon and other suspects involved in the Dec. 12, May 17, and May 18 incidents should be thoroughly investigated through the appointment of a special prosecutor.

Pak stressed that the prosecution lack competence to investigate Chon and others involved in the May 18 incident.

While withholding an official comment, the spokesman said that Chon seemed to have expressed what he wanted to say to President Kim Yong-sam, though his remarks must have sounded unreasonable to the people.

"Our party's basic stance is that those involved in the December 12, May 17 and May 18 incidents should be punished rigidly by law," he said.

However, Pak added that the prosecution, which Pak alleged refused indictment on the cases, cannot be given the task of investigating Chon and other suspected figures.

"There should be a rigid probe through the legislation of a special law and introduction of a special prosecutor system," he said.

The spokesman said NCNP head Kim Tae-chung listened to Chon's statement on television, but did not comment on it.

Meanwhile, the Democratic Party (DP) reacted furiously to Chon's statement, saying, "We, along with the people, were shocked and enraged at his anti-national excuse and sophistry," adding, "We demand his immediate apprehension."

DP spokesman Yi Kyu-taek said that Chon did not show even a tinge of repentance or remorse in his statement for the December 12 rebellion and May 18 massacre.

With Chon alleging that the decision to summon him was a product of leftist ideology, Yi said the ex-president's tendency to blame leftists for anything he does not like dates back to the days of Chon's military regime, when the then chief executive "persecuted democratic people and suppressed democratization movements with guns and bayonets."

"We urge the prosecution to apprehend Chon forcibly and investigate him under physical detention, with the awareness that their probe into the rebellion and the Kwangju massacre is a historical and national mission," Yi said.

DLP Urges Chon To Comply

SK0212030895 Seoul YONHAP in English 0256 GMT 2 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 2 (YONHAP) — The ruling Democratic Liberal Party (DLP) urged former President Chon Tu-hwan to immediately comply with the prosecution's summons, harshly criticizing both the ex-president's public statement and attitude Saturday morning as arrogant and impudent.

In a comment issued after Chun's statement, DLP spokesman Rep. Son Hak-kyu criticized, "Chun should have shown an attitude of modest reflection and self-control, facing the nation's desire and demand to cleanse the dark past of irregularities and military dictatorship, and to set the nation's history straight."

Despite that, the spokesman said, the ex-president has transferred all responsibility to President Kim Yong-sam, who is making efforts to rectify the wrongdoings in the country's history, and even driven the current situations into the ideological conflicts between leftists and rightists.

Sohn said that such actions clearly show that Chon is a person having a wrong view of history.

"As a man who had once been in charge of national affairs, the former head of state should immediately comply with the prosecution's summons for questioning (on his role in the Dec. 12 and May 18 incidents)," Son said, "He must cooperate with the prosecution's probe in a manner of repentance for history and redemption (for his sins)."

Chaebols Try To Protect Heads From Prosecution

96p30070A

[FBIS Editorial Report] The 21 November Seoul HANGYORE SINMUN in Korean reported on page 8 that the chaebols (conglomerates) are looking for ways to protect their chairmen from being prosecuted. Following the arrest of former President No Tae-u on corruption and bribery charges, and the chaebol chairmen summoned by the prosecution for questioning, the chaebols are making an "all- out effort" to keep their chairmen from going to prison. According to the paper, Samsung Group has picked its number two man, Yi Chong-ki, to be the "fall guy" while Daewoo Group has chosen its chairman's chief secretary, Yi Kyong-hun, Sungkyong Group has selected Son Kil-sung, chief of the conglomerte's planning and management office, and LG Group has settled on the conglomerate's honorary chairman, Ku Cha-kyong, to take the blame. The paper said that under the ROK business law, chaebol chairmen do not have the authority to operate the groups' businesses, thus the money they gave to No will be classified as bribery money rather than business expenses, while the cash transactions made between the other executives and No could be viewed as business expenses. Therefore, by establishing that the "working" executives were the money givers, the conglomerate chairmen could avoid prison terms. According to the same daily on 19 November, the chaebols are also trying to separate the money they gave No in to two categories—"voluntary gift" and "bribery"—and looking for a way to reduce the amount listed under "bribery." They are even trying to change the dates of their contributions to the slush fund to some time before January 1990, so that the statute of limitation will have expired.

The 21 November HANGYORE SINMUN stated that no one seems to know how the prosecution will deal with the heads of the chaebols who helped No build the secret fund" and that the prosecution under "heavy pressure" from all directions. The prosecution could be blamed for any serious economic problems, the paper stated, adding that some politicians and many economists have said that the arrest of the chaebol heads could cause the collapse of the ROK economy.

Chaebols Undergo Reforms Due to Funds Scandal

SK0212054795 Seoul THE KOREA HERALD in English 2 Dec 95 p 8

[FBIS Transcribed Text] The nation's giant conglomerates (chaebol), which had kept a low profile just waiting for the slush fund turmoil to subside, have finally come up with active self-help steps.

Some business groups now bearing the brunt of the public's criticism for their bribes and other illegal corporate practices have announced measures such as disposing of owners' equities, carrying through a generational change of executives through a large personnel reshuffle and streamlining their operations.

On top of these separate moves, the Federation of Korean Industries (FKI), the powerful lobbying group of chaebols, yesterday came up with a plan "to promote the reform of corporate management climate."

A special committee will be set up to see that the entire business community "practice clean management through fair competition," the FKI announced yesterday. It also is considering establishing the "corporate ethics charter" for a similar purpose.

Along with these declaratory moves, large businesses will go all out to regain the lost trust of the people in the business circle by expanding their social services and increasing supports to small businesses, it announced.

"The latest program specifies detailed action plans of the proclamation on "clean management," the FKI announced Nov. 3 along with an apology to the people," a federation official said.

The plan starts with a realization that the slush fund and business-politics collusion have been rooted in unethical corporate culture and unfair competition, he said, adding that the businesses will make a fresh start based on such reflections.

It, however, fell short of declaring the complete separation of management from ownership and rectifying distorted managerial structures, by leaving the matters to independent decisions of member groups.

The proposed committee on renovating managerial climate will be headed by a chaebol owner and comprise professional managers from 30 leading groups, the official said. Its main task will be to supervise fair and transparent corporate management under a self-regulating system.

Also, the member companies decided to sharply expand the financial and other supports to their smaller counterparts and conduct other social services move vigorously, he said. Needless to say, they will step up efforts to become world-class corporations by enhancing productivity and fostering high-quality manpower, he added.

Local analysts said that these chaebols need to show that they are changing, or being born again, by severing past collusive links with politicians, local business watchers say.

It remains to be seen, however, whether the slush fund scandal would prove to be a catalyst to bring about not cosmetic but genuine changes in their corporate practices, they said.

Army Officers Say Another Coup 'Implausible'

SK0612033095 Seoul THE KOREA TIMES in English 6 Dec 95 p 3

[Article by staff reporter O Yong-chin]

[FBIS Transcribed Text] Imagine at this moment somewhere a group of Army generals or officers are plotting to overthrow the incumbent government whose reform drive they see as causing a great deal of confusion both in the Armed Forces and society.

They feel threatened by the recent imprisonment of two ex-presidents Chon Tu-hwan and No Tae-u, who rose to power through the Dec. 12, 1979 military mutiny.

They think that it is time for them to move in order to stop the situation from getting way out of control. And they decide to move their troops to capture important government buildings and arrest Cabinet members... [as published]

Army officers say that this scenario is implausible and can not happen in Korea, where three Army generals captured power through military coups and ruled the country for more than 30 years since 1961.

"It is true that Army officers are discouraged by the recent series of events culminating with the imprisonment of former generals-turned-president Chon and No," one Army general said.

"But they don't feel any sympathy for the two ex-presidents who fell from grace as they resent their actions in the course of seizing power 15 years ago, actions that disgraced the entire Armed Forces," he said.

Their disgraceful deeds include the Dec. 12, 1979 insurrection by a clique of Army officers led by the two then-major generals and their crackdown on the civil uprising in Kwangju in 1980.

Most Army officers see the recent presidential order to draft a law to punish those responsible for the two events as like reopening an old wound that has scarred the heart of the Armed Forces.

They, however, say that the responsibility lies with the two ex-presidents, accepting the government's efforts as an opportunity to set things straight and giving the Armed Forces the chance to make a fresh start.

A retired colonel agreed that another coup is impossible but for a different reason.

"There is no more Hana-hoe lurking in the Armed Forces," he said, referring to the secret fraternity of Army officers, which Chon himself organized and used in his quest for power.

That group was virtually purged with its members forced to retire during the early days of President Kim Yong-sam's term. It is said that one Army colonel remains the only active duty officer who belonged to the group.

They monopolized the top echelon of the Armed Forces to the complete exclusion of nonmembers for 13 years while Chon and No were in office.

"Many of those who were recently promoted to general, including division commanders, owe their promotions to the elimination of Hana-hoe," he said. "With the situation as it is now it is unthinkable a group of commanding officers would stage a revolt especially now when Chon and No face possible death sentences for the mutiny they staged."

Although some civilians are concerned about the possibility of a "wild cat" rebellion attempt by say a regimental level commander, Army officers say in unison that it can't succeed.

Despite the all but zero possibility of another coup in the making, many military experts believe that the Armed Forces is in a state of flux and their ruffled nerves need to be soothed.

Perhaps sensing that need, President Kim recently presided over a meeting on possible North Korean provocation that was attended by all senior commanders of the Armed Forces.

Defense Minister Yi Yang-ho also called the commanders of the 20th Army Division and the Special Warfare Command to order the enlisted soldiers to keep on soldiering.

The two units are in the public spotlight for their participation in the Kwangju crackdown. The minister is scheduled to visit the two units today.

Editorial Criticizes Arrest of Pomminnyon Leaders

SK0612045295 Seoul HANGYORE SINMUN in Korean 5 Dec 95 p 3

[Editorial: "The Mass Arrest of Leading Members of the National Alliance for the Country's Reunification"]

[FBIS Translated Text] Incidents related to "public security" or the "political situation" have emerged whenever a political crisis surfaced in military regimes led by Pak Chong-hui, Chon Tu-hwan, and No Tae-u. The press used to report verbatim such incidents from information agency announcements. This was apparent in the incidents involving the Joint Council of Youths and Students Struggling for Democracy and the People's

Revolutionary Party, which both took place in the spring of 1974.

While taking measures to arrest former Presidents Chon Tu-hwan and No Tae-u, the current Kim Yong-sam regime is making efforts to sever its relations with the previous military regimes and to distance itself from them. Meanwhile, recent moves by the Agency for National Security Planning [NSP] and the police are arousing the suspicion that the present government also intends to create an atmosphere similar to the public security-oriented situation that prevailed during the previous military regimes.

On 29 November, the NSP and the National Police Headquarters announced that they had arrested 29 members of the South side's headquarters of the National Alliance for the Country's Reunification [Pomminnyon] and its regional organizations under charges of violating the National Security Law and were questioning them. This makes people suspicious, as mentioned above. According to reports, the NSP announced: "The South side's headquarters of Pomminnyon continuously carried out an insidious reunification movement in cooperation with North Korea even after it was given a ruling under the National Security Law of being an organization benefiting the enemy in November 1991. Some of the arrested people are suspected of having conveyed information on the domestic situation, which they had collected secretly, to North Korean agencies such as the General Association of Koreans Residing in Japan." Four years have passed since November 1991.

In November 1990 when preparatory work for the inauguration of Pomminnyon was being carried out, three representatives of this organization, including Reverend Cho Yong-sul, were arrested for participating in a tripartite meeting held in Berlin by representatives from the South, the North, and overseas. Later, Yi Chang-pok, chairman of the preparatory committee for inauguration of the South side's Pomminnyon headquarters, and committee member Kim Hui-taek were arrested; and Reverend Hong Kun-su was imprisoned. In July 1994, five leading members of Pomminnyon, including Reverend Kang Hui-nam, suffered in prison for attempting to make a call of condolence over President Kim Il-song's death. As shown in these incidents, Pomminnyon has carried out its activities openly and peacefully during and after its preparations for inauguration.

Moreover, since the authorities had tacitly permitted the organization to exist despite the ruling of it as an organization benefiting the enemy, it is difficult to understand from a common sense point of view how they could recently arrest as many as 29 members of Pomminnyon, including all 15 of its leaders. Furthermore, with the exception of some 10 persons, all of the arrested people are over 60 years of age. Permanent adviser Sin Chang-kyun is 87 years old, and Chairman Kang Hui-nam is 75. The mass arrest of people, such as the elderly, is a serious issue of human rights.

A total of 26 dissident groups, including the Council of the Family Movement for Practicing Democracy, criticized the all-out arrest as "the ruling forces' tactic to safely reassume power in the 1996 general elections after creating a public security-oriented situation by characterizing dissident forces engaged in the struggle for democracy as pro-communist forces." The ruling forces are urged to carefully listen to this criticism.

National Assembly Passes 1996 Budget Bill

*SK0212130895 Seoul YONHAP in English
1305 GMT 2 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 2 (YONHAP) — The National Assembly on Saturday passed next year's budget bill scaled at 62,962.6 billion won (81,769 million U.S. dollars), minus 41 billion won from what the administration asked for.

In a plenary session, attended by 187 lawmakers, the budget bill was approved in a standing vote by 150 for, 35 against and two abstentions.

All National Assemblymen affiliated with the ruling Democratic Liberal Party and most members of the splinter opposition United Liberal Democrats voted for the bill, while lawmakers from the main opposition National Congress for New Politics and the minor opposition Democratic Party either voted against it or did not take part in the vote.

Compared with the administration proposal, the finalized budget bill saw a total increase of 305.2 billion won and a total reduction of 346.2 billion won.

Increased are 99 billion won for infrastructure projects, 30 billion won in support for small and medium-sized enterprises, 103.9 billion won in support for rural areas, 31.8 billion won in social welfare projects and 15.2 billion won in sea pollution control projects.

Also raised from the original bill are 45 billion won for Seoul subway projects, 10 billion won for Taejon and Kwangju subway construction projects, and 23 billion won for regional medical insurance.

On the other hand, loans to and investments in the Korea Highway Corp. saw a reduction of 80 billion won, overseas cooperation fund decreased by 20 billion won, consolidated trade information center building project was reduced by 10 billion won, and interest for grain securities was cut down by 65.6 billion won.

Ministry Finalizes Industrial Technology Plan

SK0612031395 Seoul THE KOREA TIMES in English 6 Dec 95 p 8

[FBIS Transcribed Text] The government has decided to introduce technology insurance to help small companies engage in high risk research and development projects under a five-year plan to promote industrial technology.

At the same time, industrial firms will be allowed to put up viable technologies as collateral in securing loans for financing their businesses, the Ministry of Trade, Industry and Energy [MOTIE] said yesterday.

MOTIE officials said the five-year plan, which will begin next- year, was finalized in a meeting of the Industrial Technology Development Committee in an effort to strengthen the foundation of industrial technology.

They said some 4.3 trillion won (5.1 billion dollars) will be injected until the year 2000 to help industrial companies gain a stronger competitive edge in the global market as the nation marches toward 200 billion dollars in exports.

MOTIE's director general for industrial policy said the new era in global trade will be one in which many smaller companies with strong technology will be more crucial than a few giant enterprises.

"At present, technologies among small companies is poor in virtually all sectors, ranging between 34 percent in information and telecommunications to 58 percent for consumer goods and textiles when compared to advanced countries," he said, adding that the rates will have to be improved to 65-75 percent.

As a part of measures to help small companies play a more vital role in the Korean economy, the plan will make it possible for them to secure loans from financial institutions using technology as collateral.

"A system for evaluating the value of these technologies will be introduced so that small companies can obtain" loans without conventional collaterals," explained Paek Man-ki, MOTIE's director for industrial technology planning.

At the same time, MOTIE will collaborate with other government agencies to set up insurance policies to make it less financially risky for companies to engage in the development of new technologies at high cost.

At the university level, the five-year plan will seek to improve the quality of research and development from the current level of 30 percent of that in foreign universities to 50-70 percent, and provide students with more field training opportunities so that they can work effectively right out of school.

"One of the most important aspects of the plan is to instill a greater presence of computerization in technological development, such as the introduction of computer-aided logistics systems (CALS)," Paek said.

Noting that the provision of subsidies by the government and state-run organizations is becoming increasingly difficult under the guidelines of the World Trade Organization, Paek said MOTIE will do the best it can to provide the necessary support.

Through the five-year plan, MOTIE is hoping to secure the core technologies for everything from mechatronics and new materials to opticals and aeronautics to become industrially competitive in the world market, he added.

Cambodia

Hun Sen Supporters Condemn Sirivut Plot

BK0612111595 Phnom Penh PHNOM PENH POST in English 1-14 Dec 95 p 2

[Report by Ker Munthit: "Petitions, Endorsements and Criticisms"]

[FBIS Transcribed Text] Armed forces, civil servants, student organizations and provincial residents threw their support behind Second Premier Hun Sen by signing petitions condemning Prince Norodom Sirivut and his "accomplices" for plotting to kill the premier and overthrow the government.

The petitions printed in local newspapers and aired repeatedly by state-controlled television and radio said that the assassination was aimed at destabilizing the country and demand that the criminals be brought to justice.

"We vehemently condemn those offenders who are committing cruel human rights abuses, democracy (abuses) and are violating the Constitution in opposition to the national reconciliation policy of His Majesty the King and the Royal Government," read a message signed by residents, police and army of Kampong Thom province.

Several newspaper-members of the League of Cambodian Journalists (LCJ) published in full length the group's Nov 21 statement. It denounced the plot to assassinate Hun Sen as an unwise, disgraceful and disgusting act "which would bring Cambodia back to the sea of blood" of the Khmer Rouge.

Kaoh Santepheap newspaper, which joined Hun Sen in justifying Krang yov villagers' attack on the office of Sereipheap Thmei newspaper last month, offered extensive coverage, using phrases such as: "Prince Sirivut is a person who is worst than horse waste".

The Funcinpec Steering Committee issued a statement on Nov 21 endorsing their President Prince Norodom Ranariddh's course of action in finding the solution to the crisis through peaceful means.

Meanwhile, Khmer Nation Party President Sam Rangsi criticized the house arrest of Sirivut as a violation of Article 80 of the Constitution.

In a separate statement issued last Monday, he described the argument supporting the house arrest to protect the prince from being killed as "an argument of the jungle, the argument of Communists, of people unwilling or unable to respect the law".

"It is not an argument that can be accepted by a democrat, by anyone who believes in truth and justice," said Rangsi.

Article Views National Political Situation

BK0612094595 Phnom Penh PHNOM PENH POST in English 1-14 Dec 95 pp 1, 2

[Report by Michael Hayes: "The Politics of Fear—What's Next?]

[FBIS Transcribed Text] Second Prime Minister Hun Sen's worried about getting assassinated, Prince Norodom Sirivut's been stripped of his parliamentary immunity and arrested for allegedly plotting to kill Hun Sen, the tanks are back in their barracks (for now), and the streets of Phnom Penh are as busy and bustling as ever.

Those are the bare facts. But the key questions everyone's wondering about are: who's really doing what to whom, and what happens next? The question are important ones and have been the talk of the town in many circles over the last two weeks.

Equally important, and as an indication of the level of tension that surrounds current Cambodian politics, is the fact that people from all walks of life, and from whatever political stripe or domestic or international—are extremely frightened to talk about politics, especially to journalists. Conversations are held in hushed tones with furtive glances over the shoulder, mobile phones are shut off or, in the case of embassies, confiscated before you enter the premises, and suggestions are often made to take a walk outside for fear of hidden bugs in people's homes or offices.

In short, with the latest political chess moves by Hun Sen, students, NGO [nongovernment organizations] workers, intellectuals, human rights activists, diplomats, journalists, political party members from both the old alliances and the new ones, civil servants, and even cyclo drivers are afraid.

People aren't afraid to walk around town because security, at least in Phnom Penh is not the problem. But they're afraid to say what they think—especially in public among people they don't know.

At the very least, it's clear that the "Phnom Penh Spring" of 1993—with the exuberant flush of successful elections and the advent of noble ideals enshrined in a new constitution—has now devolved in just over two years to a level of anxiety and abuse of power that has innocent people running scared.

Much of this is not new. In fact, the trend line since early 1994 has been both obvious and ominous. Editors killed in broad daylight, MPs pressured to vote the way they're told to, and grenade attacks against political party or newspaper offices have become the staple of political life since UNTAC's [UN Transitional Authority in Cambodia] departure.

Moreover, death threats and the fear of receiving one, it seems, have become as ubiquitous as New Year's greeting cards. The fear of receiving one is even more widespread.

Equally disturbing are the regularly proffered commitments of full investigations into criminal acts which somehow never conclude with convictions of the culprits involved. Do we know yet who killed Nuon Chan or Tu Chummongkol, who threw the grenade at Son Sann's office, and why villagers—who were easily identifiable and are probably still boasting openly about the attack—were allowed to thrash the office of Sereipheap Thmei?

The alleged plot to kill Hun Sen has brought much debate on these subjects to the fore, especially since the Premier's fear of being assassinated caused him to call out the tanks which rumbled up Norodom Boulevard on the night of Nov 17 and then fanned out around the Independence Monument.

But the larger questions which have everyone speculating albeit nervously—and which have the rumor mills working around the clock are whether or not the threat is real; if so, who's behind it; and if not, what is Hun Sen up to?

In a broad, informal survey of opinion from current and former CPP officials, human rights and NGO workers, MPs, diplomats, Cambodia watchers and the general public, the consensus is that Hun Sen does indeed have reason to fear for his life, that he has enemies both inside and outside his own party and that there are several if not numerous precedents for his fears of a plot against him.

But there is wide disagreement on what the nature is of the current move, if any, against him. One observer said that Hun Sen had definite information "of a movement against him within the CPP" which caused him to call out the tanks and move against Sirivut, using the prince as a pretext to deliver a show of force to multiple potential threats.

Added one official: "Hun Sen comes from a history where if someone says they are going to kill you, he believes it."

A former CPP official speculated that "CPP party members are concerned about Hun Sen's clumsiness in dealing with power. The Sirivut case could force a split within the CPP. Up until now mistakes and disagreements have been overlooked and/or forgotten but now things could change... (Hun Sen's) methods are archaic."

Whether or not the Chea Sim/Sar Kheng side of the CPP is at the breaking point with Hun Sen is only a matter of vague speculation. However, several sources say that Hun Sen was recently infuriated with Sar Kheng because of the latter's refusal to prevent the opening of Sam Rangsi's new political party on Nov 9, and that Sar Kheng's latest rebuff to a Hun Sen order was one of many serious disagreements between the two senior CPP officials.

Others deny that any party split would ever happen, arguing that the CPP, inspite of any differences, would hold together at any price. Said one diplomat: "We don't have to exaggerate the struggle within the CPP. It's not at the same level (as that) within Funcinpec. With their communist training, (the CPP) will preserve as long as possible the unity in their party."

Many sources said that Prince Sirivut was only a pawn in a larger game, that Hun Sen was taking an opportunity to move against one of his opposition critics and that the move would further damage the unity of Funcinpec [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia].

Overall, Sirivut is generally regarded as a principled individual who resigned his post as foreign minister on the basis of his own deeply-felt values and who retained his position within Funcinpec because of his desire to work within the party for reform.

However, it was said by several sources that Sirivut had been joking privately about "killing Hun Sen" but that, as one diplomat said: "There are profiles of killers. I don't think (Sirivut) fits the profile of a killer. But what we should ask ourselves is whether (Hun Sen) is using this joke to finish Sirivut off or does Hun Sen really believe that he wants to kill him. Said another diplomat: "Sirivut was completely tricked... He's playing with politics without realizing it's very serious. Hun Sen is not playing."

If there is one point on which most observers agree it's that Hun Sen is a consummate political tactician who spends most of his time keeping three steps ahead of both his allies and his opponents. One source said that Hun Sen has repeatedly outsmarted even his own critics within the CPP. Because of his charisma as a public speaker, because of his foresight in thwarting moves against him, and because of his skill as a political manipulator, the premier had managed to rise to the top and stay there.

"There is no secret," said one diplomat, "the one who runs the country is the one who works for it. Hun Sen is in charge, because he's working day and night."

A party member within the current coalition added cynically, "What does Hun Sen want? Money or power? I ask you. He has money, so it must be power. You saw what he did to the BLDP [Buddhist Liberal Democratic Party], so now it's Funcinpec."

Sadly, international donors bemoan the fact that so much time is spent by senior government officials on sorting out the power related squabbles between political factions and individuals that the work of government is not getting done.

"What's this doing to the development process?" asked one official referring to the political infighting in recent months. "Nothing ever seems to get done that's home grown," he added, noting that most efforts to help the rural poor were being driven by foreign NGOs and that government bureaucracies were not making much progress in acquiring the capabilities to plan for and implement development schemes on their own that would benefit the nation.

As far as the question "What's next?" fears are widespread that it can only get worse. For Sam Rangsi and his Khmer Nation Party [KNP], the fear is that even if the government ever officially recognizes the party, when the KNP tries to organize outside of Phnom Penh, party workers will be intimidated if not killed outright. One KNP worker is already dead, more are likely to follow.

Said one Cambodian intellectual: "There are elements (within the government) that could lead somebody to conclude that we are embarking on the road to fascism: the gangsters, the vigilante justice against whomever is against somebody in particular. Cambodians have gradually been subdued."

Added one diplomat: "We appear to be back at square one (with democracy). Hun Sen is finally coming home to roost. It's only a question of how far they will go. Some foreigners get angry and say the government is going the Malaysian or Singaporean way. I say, 'Go that way'. If the alternative is Nigeria, is Saddam Hussein... there's worse, you know."

Dissident Newspapers Refused Printing Facilities

BK0612111995 Phnom Penh PHNOM PENH POST in English 1-14 Dec 95 p 14

[Report by Heng Sokchheng: "Dissident Papers Close, Future Cloudy"]

[FBIS Transcribed Text] Cambodia's dissident newspapers—and their most outspoken editors—appear to have been effectively silenced.

For more than a month now, six of the most critical antigovernment papers have been refused printing facilities from all printing houses around town, their editors say.

Those same editors have in the meantime been given executive positions on the Board of Directors of Sam Rangsi's new Khmer Nation Party, and they agree with Rangsi that they cannot therefore continue as newspaper publishers.

They are still fighting for permission to print their papers however,and are looking for new editors to take over their positions.

They have also applied to the Ministry of Information to open their own independent printing house.

The apparent loss of the six papers has also crippled the newly formed nine-member Association of Independent Journalists—a third journalist association made up of antigovernment papers.

The printing houses involved have been threatened if they continue to print the papers, say the editors of New Liberty News, Voice of Khmer Youth, Khmer Conscience, Khmer Ideal, Wat Phnum News and Combatant.

Occasional copies of Wat Phnum News and Khmer Conscience have been seen on the streets, but these were "clandestine" copies printed only because the owner of one printing house needed the cash, said Khmer Conscience publisher Sot Khemarak.

Khemarak said: "We hope very soon to resume printing our papers, but by what means we don't know yet."

"It is pressure. But we will try our best to get the papers out. We don't want to lose the voice of democracy," he said.

All six told the Post that as hard as they tried, all printing houses had refused their business because they were scared they might themselves be shut down.

Printers were afraid that Krang Yov people would come and smash their houses like the incident that occured recently in the offices of the New Liberty News.

They also said they had been intimidated by the police.

The owner of the printing house Khemarak nervously told the Post that she had not received any threats.

However, after printing one copy run of the Wat Phnum News she ran off to her brother's house to hide for two days. "There was no harassment, I was just scared because I am an old person."

One worker from the Pracheachon Newspaper Printing House, who gave his name as Vibol, said policemen in civilian clothes and people from Ministry of Information frequently patrolled the business.

"If they see us still print (dissident papers), they might seize the papers or fine us because we don't listen to them. But so far nothing has happened," Vibol said.

He said the authorities had warned them that if they continued to print, and "something happened", they would not take any responsibility for the incident.

Khieu Kanharit, secretary of state of the Ministry of Information, said his ministry had never warned any printing house.

The printing house had the right to print any paper, he added.

Interior Minister Yu Hokkri said he hadn't ordered any policemen to tell printing houses not to print.

"If there is (a case), please be clear. Don't just say this sort of thing as an accusation. I think that is unfair," Hokkri said.

Each editor said that the moves against them were to eliminate press freedoms and democracy.

Sot Khemarak said Cambodia's democracy was dying, and the government wanted to silence any opposition newspaper.

Combatant publisher Sam Vutthi said democracy was becoming worse and worse... "it is just like a word on the lip of a powerful person... but the people are still slaves."

He said the closure of such publications merely strengthened a "communist dictatorship".

Chan Rattana, publisher of Voice of Khmer Youth, said democracy was just a symbol, but that the country was under the control of military power.

Dararit [not further identified] said that if there were no dissident newspapers, the progovernment newspapers would falsify the situation in Cambodia from "white to black, good to bad".

Indonesia

President Dismisses Trade Minister in Reshuffle

BK0612075695 Hong Kong AFP in English 0746 GMT 6 Dec 95

[FBIS Transcribed Text] Jakarta, Dec 6 (AFP) — President Suharto of Indonesia on Wednesday dismissed his trade minister [Satrio Budiarjo Yudono], and merged the trade and industry ministries as part of a cabinet reshuffle, State Secretary Murdiono said.

Suharto Urges Increase in NonOil Exports

BK0612103095 Jakarta THE JAKARTA POST in English 29 Nov 95 p 1

[Unattributed report]

[FBIS Transcribed Text] JAKARTA (JP): President Suharto yesterday presented awards to 65 distinguished exporters while encouraging companies to expand their businesses overseas and deal with foreign enterprises to facilitate the distribution of the country's non-oil exports.

"Competition in international trade is getting sharper and the open market offers equal opportunities to any nation in the world. Domestic businessmen, therefore, should really consider investing abroad and cooperating with executives in foreign countries," the President said at the annual Primaniyarta export awards presentation at the State Palace here yesterday.

The President awarded 65 firms for their achievements in exporting their products yesterday.

The Primaniyarta awards, which are presented once a year to the nation's best performing exporters, are contested at both the national and provincial levels. Last year, the President presented the awards to 59 small, medium and large-scale companies throughout the country.

Challenges

Suharto said that in the ongoing 25-year long-term development period, which started last year, Indonesia is facing more challenges to increase non-oil exports.

"The world moves faster towards open economy and free trade. In the fiercer competition, our non-oil exports have increased, but the growth rate declined," he said.

"The growth rate of non-oil exports steadily declined from 27 percent in 1992 to 16 percent in 1993 and to 12 percent in 1994. The drops were caused by competition, not by slowing international demands," President Suharto said.

He added that the growth rate increased to 14 percent in the January-August period of this year.

According to the Central Bureau of Statistics, Indonesia's total exports during the first seven months of this year increased by 14.12 percent to US$25.01 billion, of which $18.92 billion was contributed by non-oil products.

"In the future, there's no other way than increasing non-oil exports because non-oil products are now one of the country's major economic arms. Increasing non-oil exports will help facilitate the country's development," Suharto said.

He said that all of the ministries, related government institutions and local administrations should work together to promote non-oil exports.

" I'd like to repeat the request I made a few years ago — make all-out efforts to increase nonoil exports. We have to strengthen the international competitiveness of our products," he said.

Minister of Trade Satrio B. Yudono said yesterday that businessmen should not be reluctant to report to the authorities if they are charged illegal levies which burden their businesses.

"Please, file reports to my office. Such reports will be reviewed," he said.

Business people have repeatedly complained that the exporting process involves arduous bureaucratic procedures, including those for customs clearance and port handling, while land transportation of goods is subject to illegal levies charged by various parties.

Daily Hails Nuclear Weapon-Free Zone Treaty

BK0612061295 Jakarta KOMPAS in Indonesian 6 Dec 95

[Editorial: "It is Important To Turn Southeast Asia Into a Nuclear Weapon-Free Zone" — received via Internet]

[FBIS Translated Text] Southeast Asian countries will have a Treaty on the Southeast Asian Nuclear Weapon-Free Zone in the near future. Foreign Minister Ali Alatas said after meeting President Suharto at the Merdeka Palace last Friday that Southeast Asian countries would sign the Treaty on the Southeast Asian Nuclear Weapon-Free Zone during the fifth ASEAN summit in Bangkok, Thailand 14-15 December 1995.

According to Alatas, the nuclear weapon-free zone treaty contains a clause that will enable five nuclear powers — the United States, Britain, France, Russia, and China — to accede to the treaty.

The consensus reached by the Southeast Asian countries is very important and should be warmly welcomed, because it resulted from years of difficult negotiations.

We have seen the terrible consequences of the use of U.S. nuclear weapons in Hiroshima and Nagasaki in 1945.

The Philippines put forward the idea of turning Southeast Asia into a nuclear weapon-free zone for the first time at the ASEAN senior officials meeting in Kuala Lumpur, Malaysia in 1975.

At that time, the Philippines called for creation of a zone of peace, freedom, and neutrality [ZOPFAN] through the denuclearization of Southeast Asia. Indonesia interpreted the denuclearization of Southeast Asia as the establishment of a nuclear weapon-free zone.

The Philippines' denuclearization concept was in line with the banning of the use, storage, passage, and testing of nuclear weapons in Southeast Asia endorsed at the ASEAN senior officials meeting in Jakarta in 1972.

Nevertheless, Vietnam's military invasion of Cambodia at the end of 1978 put the idea of turning Southeast Asia into a nuclear-weapon free zone on the basis of the Indonesian working paper on the back burner. The idea resurfaced only after an ASEAN task force renewed the need to realize the ZOPFAN concept proclaimed in Kuala Lumpur in 1971 through a nuclear weapon-free zone treaty.

The Treaty on the Southeast Asian Nuclear Weapon-Free Zone to be signed during the fifth ASEAN summit is important because the treaty covers not only the ASEAN members, but also the whole Southeast Asia.

According to Ali Alatas, all Southeast Asian countries will be bound by the treaty not to produce, store, or allow another country to produce nuclear weapons in their respective territories.

He, however, stated that each signatory to the treaty could still determine a policy on the possibility of another country using Southeast Asia's waters or airspace as a transit point for its nuclear weapons.

The United States, which has been the strongest opponent of the creation of nuclear weapon-free zones in various parts of the world, is not opposed to the creation of the Southeast Asian nuclear weapon-free zone because of this clause.

The creation of the nuclear weapon-free zone is incompatible with the U.S. global strategy because such zones will limit the movement of U.S. strike units worldwide. Accordingly, the United States is strongly interested in the freedom of transit through any nuclear weapon-free zones.

The United States will resort to any means to foil the creation of a nuclear weapon-free zone if it is prevented from passing through the zone.

During the annual ASEAN ministerial meeting in Singapore in 1987, Foreign Minister Mokhtar Kusumaatmaja said ASEAN would have to compromise its fear of nuclear weapons with the U.S. global deterrence strategy if it wanted to realize the Southeast Asian nuclear weapon-free zone concept.

"Thus, the Southeast Asian nuclear weapon-free zone concept will not undermine the interests of ASEAN members or the U.S. global deterrence strategy," Mokhtar said.

The consensus on the need to sign the Treaty on the Southeast Asian Nuclear Weapon-Free Zone, which will pave the way for the ZOPFAN, is inseparable from the conducive political and security situation in Southeast Asia.

The end of the Cold War, the withdrawal of Vietnamese troops from Cambodia, and the end of the factional conflict in Cambodia have led to closer relations between ASEAN members and Indochina. The relations climaxed with Vietnam's entry to ASEAN last July.

The ASEAN-Indochina rapprochement did not stop there. ASEAN is trying to woo Laos and Cambodia into its fold. Even Burma will be accorded special observer status.

The 28-year-old ASEAN is now talking about Southeast Asia 10 or SEA-10 comprising of seven ASEAN members (Brunei Darussalam, the Philippines, Malaysia, Indonesia, Singapore, Thailand, and Vietnam) plus Laos, Cambodia, and Burma. The desire to have ten Southeast Asian countries in ASEAN is nothing new. The desire was already alive when the ASEAN founders proclaimed their aspirations in 1967. The political situation at that time, however, did not enable the ASEAN founders to realize their desire.

There seems to be no obstacles to the creation of the Southeast Asian nuclear weapon-free zone because none of the Southeast Asian countries possesses, develops, or stores nuclear weapons. Countries in the region also do not allow other countries to store or use nuclear weapons in their respective territories.

When the United States had military bases in the Philippines, the Philippine Government firmly did not allow its territory to be used to store or develop nuclear weapons. Nevertheless, we knew that it was difficult for the Philippines to know whether or not the United States stored or developed nuclear weapons inside U.S. military bases as well as aboard its warships or jet fighters. The United States maintains a policy of neither confirming nor denying the presence of its nuclear weapons.

In addition to the U.S. bases in the Philippines, we were also worried over the possibility of the Soviet Union using the former U.S. military base at Cam Ranh Bay, Danang to store or develop nuclear weapons.

The situation is, however, over. The United States dismantled its military bases in the Philippines and the Soviet Union did likewise in Vietnam.

It is now up to the Southeast Asian countries themselves to demonstrate their seriousness about making, maintaining, and defending Southeast Asia as a nuclear weapon-free zone.

Thailand

Further Information on Submarine Story Reported

BK0612050895 Bangkok THE NATION in English 6 Dec 95 p A3

[Unattributed report]

[FBIS Transcribed Text] The Swedish peace activist who raised bribery implications in Thailand's submarine purchase plan yesterday said he had further information and could publish it if his suspicions are confirmed, and provided that his source remains unnamed.

Henrick Westander also hinted, by raising the Bofors arms scandal case which forced an Indian government to resign, that the Thai government could ask to see the accounts of the Kockums industrial group, which could be handled by the Bank of Sweden, to see whether bribery money had passed through the bank.

Westander also suggested that the Thai government demand an investigation into the case and that Democrat Party members who said Kockums had offered money to the party prior to the election reveal who offered the alleged bribe.

"If someone can show that Kockums or SP Communications also offered the Democrat Party a "donation" it would put pressure on the Swedish government to investigate Kockums' (alleged) payments to Thailand," Westander said in a statement sent to THE NATION yesterday.

His statement came as the Swedish parliament was scheduled to debate arms deals with Thailand last night.

In his article published on Nov 26 in Sweden's DAGENS NYHETER newspaper, Westander said a Kockums representative in Bangkok had paid a considerable sum of money to Prime Minister Banhan Sinlapa-acha or his Chat Thai Party before the general election in June to boost its chances of winning the bid to build two submarines for the Thai Navy.

Banhan and the present government have categorically denied the allegation, but Democrat Party secretary-general Gen Sanan Khachonprasat said his party had also been offered a bribe by the company's agent.

Supridi Siphadung of SP Communications who represents Kockums in Thailand, has denied involvement in any impropriety.

Westander yesterday insisted that his source of information was credible and has clear evidence that one of Kockums' rivals in Thailand, Germany's HDW, also employed a business strategy which included monetary payments.

Westander denied that he had obtained any of his information from a Thai naval officer or from any of Kockums' competitors, as Kockums has intimated.

According to Westander, the Thai government can ask to see the accounts of Kockums, which is protected under Swedish commercial law.

"Each time a Swedish company transfers over 75,000 Swedish kronor abroad it must notify the Bank of Sweden.

Perhaps Kockums has attempted to hide payments, so they do not show, but it is also possible that (the Bank of Sweden would have a record of any such payments)," he said.

Chat Thai MP Burin Hiranburana yesterday suggested that his party send representatives to Sweden to gather information about the submarine scandal.

Burin, an adviser to the prime minister, said he would also propose that Banhan formally request that the Swedish government investigate the matter.

Both proposals would be formally submitted to Banhan in a memorandum, Burin said.

The adviser said both proposals should be carried out to show that Chat Thai was "sincere about finding out the truth" about the allegation.

Graft Allegation Delaying Submarine Deal

BK0612135495 Bangkok THE NATION in English 6 Dec 95 p A6

[Unattributed report]

[FBIS Transcribed Text] Permanent Secretary for Defence Phaibun Emphan yesterday expressed regret that the bribery allegations involving a Swedish ship builder would further delay the Navy's purchase of two submarines.

Gen Phaibun said the submarines were needed to modernize Thailand's naval defence system in line with the long-term plan to develop the armed forces' defence capacity.

He said the government needed to somehow take action to "clear" the allegations so that the Navy could proceed with its purchase plans. "Now that the allegations have been aired, the purchase will certainly be delayed," Phaibun said.

"The government must do something to clear its name."

The allegations were made last month in the Swedish daily DAGENS NYHETER by a Swedish arms trade researcher and peace activist, Henrik Westander.

Westander alleged that Kockums industrial group had offered bribes to either the Chat Thai Party or Prime Minister Banhan Sinlapa-acha in a bid to secure the contract, worth [Thai baht] Bt17 billion.

Both Kockums and Banhan have denied the allegations.

The government of former prime minister Chuan Likpkai had rejected the Navy's request to call a bidding for the submarine purchase. Chuan said his government preferred to provide cheap loans for students than buy submarines.

Phaibun said the submarine purchase was earlier approved in principle by the Defence Council, a committee of top brass from all armed branches, as part of the armed forces development.

"It was not as though the Navy suddenly wanted to buy them," Phaibun said. "Although the country is not at war, we should always be prepared."

Despite the controversy, Phaibun urged the government to allocate funds for the submarine purchase.

He said if the government faced opposition over the purchase, the administration should explain the need for it.

The Navy has announced that the two submarines would make its maritime territorial defence system complete and effective.

It said the submarines would deter any aggressive neighbouring country because it is difficult to locate and destroy submarines.

Meanwhile, Democrat Party MP Niphit Intharasombat said Chat Thai was only trying to find a quick way out of the controversy by its filing of a defamation suit against a Thai newspaper.

The Chat Thai Party has asked police to press criminal charges against SIAM POST because of its "aggressive, insulting and obviously biased" reporting of the issue.

"Chat Thai knows well that SIAM POST would have no information with which to defend itself and it would be forced to apologize. Chat Thai would then try to use the apology to clear its name," Niphit said.

Niphit said Thai newspapers simply relayed information from the Swedish paper, so they should not be sued.

Prime Minister Urged To Clear Scandal Charge

BK0612060495 Bangkok BANGKOK POST in English 6 Dec 95 p 4

[Editorial: "Banhan Now Faces the Test of Transparency"]

[FBIS Transcribed Text] Like a dead elephant which is too big to be covered up with just a few lotus leaves, the submarine affair has emitted a foul smell permeating the entire Government. Although the full details have yet to emerge, the reputation and credibility of the Government, particularly that of Prime Minister Banhan Sinlapa- acha who is at the centre of the controversy, have been dealt a further blow.

It all began with an article written by Swedish peace activist Henrik Westander in the Swedish morning newspaper DAGENS NYHETER on November 26. The article alleged that Swedish defence contractor, Kockums, or the company's representative in Thailand, S.P. Communications, had paid "considerable sums" to Prime Minister Banhan or his Chat Thai Party during the election this year. The story was picked up by an international news agency and most Thai newspapers ran the story without first verifying its accuracy or getting a comment from the prime minister or the Chat Thai Party.

Obviously, the papers which ran the wire service story verbatim or directly translated into Thai had failed in one major area of responsibility — they did not present the report in a balanced manner at the outset. The accusation made by the Swedish peace activist is a serious one and very damaging, not only to Mr Banhan or his Chat Thai Party, but also to the Government as a whole. Therefore, the accused parties deserved to be treated fairly. Their views should have appeared together with the accusation on the first day. Or at the very least, attempts should have been made to obtain their views.

As has seemingly become standard practice, the comments from those accused came a day later. Prime Minister Banhan, Chat Thai secretary-general Sano Thianthong and Kockums, among others, categorically denied the bribery allegations. However, Mr Sano admitted that he personally knew the Thai representative of Kockums and said that both of them had played golf together. As Mr Sano should be well aware, the golf course is not just a venue for golf games but also a popular venue for businessmen out to make a deal. Any topics besides the intricacies of golf that might have been discussed between the two are merely a matter of conjecture.

In his formal statement issued on Monday, Mr Banhan said the allegation stemmed from a trade conflict with regional political undertones. But his denial and those of the other parties named in the article, no matter how convincing they might appear to be, are unlikely to easily sway the trust of those members of the public who appear to have a negative fixation on Mr Banhan's administration. Nor will filing a defamation suit against SIAM POST or any other publication be likely to shed any more light on the truth of what really transpired.

Prime Minister Banhan's vow "to bring the facts to light to protect the honour of those concerned and the country" has yet to be translated into concrete action. One such action he should ponder is to seek cooperation from the Swedish Government to investigate payments transferred by Kockums to Thailand this year. This should not be a problem given the close relationship between Thailand and Sweden.

At least one Swedish defence contractor, Bofors, has been found to be involved in wrongful arms deals in the Middle East and its three senior executives convicted by a Swedish court. True, this was merely a single instance of a violation of the law by the Swedish defence contractor.

However, it is no secret that the keen competition in the arms trade has made the payment of commissions or other forms of interest an acceptable norm among many defence contractors to enable them to win lucrative contracts.

If the prime minister is really determined to uncover the whole truth about the controversy, then his next step is to make a formal request to the Swedish Government. That is, of course, if he truly believes in transparency and is determined to get to the heart of the matter and put the facts ahead of political expediency.

Official Discusses Preparation for Summit

BK0612061995 Bangkok Radio Thailand Network in English 0000 GMT 6 Dec 95

[Interview with Dr. Sukhum Ratsamithat, director general of the ASEAN Affairs Department of the Foreign Ministry, by Radio Thailand Senior Broadcaster Wilairat Sakhonphan; place and date not given — recorded]

[FBIS Transcribed Text] The fifth meeting of the ASEAN heads of government, known as the ASEAN summit, is scheduled to be held in Bangkok next week. As host of the meeting, Thailand is well prepared for this significant step towards the ASEAN members' cooperation. Dr. Sukhum Ratsamithat, director general of the Department of ASEAN Affairs, Ministry of Foreign Affairs, tells us how the summit is prepared:

[Begin recording] [Sukhum] The preparations for the fifth ASEAN summit in Bangkok are well in hand. The [name indistinct] of Thailand will chair again the national committee, which is responsible for the preparations of the 5th ASEAN summit. [sentence as heard] But, as far as the actual work is concerned, I can say that we are exerting our best efforts to make the meeting a success.

[Wilairat] Can you just briefly describe the program of activities?

[Sukhum] The leaders will arrive in the morning of 13 December, and the opening of the ASEAN summit, the fifth ASEAN summit, will take place on the morning of the 14th, beginning at about 2100. After the speeches by the seven leaders, the meeting is expected to adjourn at about 12 noon. After that, the meeting will resume again in the afternoon at about 1430 and will proceed until about 4:15, after which, the leaders will have an audience with His Majesty the king of Thailand at the Royal Palace, Chitlada. In the evening, the prime minister of Thailand will host an official dinner in honor of the leaders at the government house.

Also on the next day, on the 15th, we will have the meeting with the three other leaders of governments of Kampuchea [Cambodia], Laos, and Myanmar [Burma]. This is the important meeting that will be part of the fifth ASEAN summit. It will be the first time that the 10 leaders in Southeast Asia are meeting together for the first time. The meeting will begin with the statements by the three leaders and also an opening speech on behalf of ASEAN by the prime minister of Thailand. The meeting will be adjourned and is expected that in the afternoon on the 15th of December, several agreements will be signed by the ASEAN leaders. The important ones that I would like to mention are the agreement on services, the agreement that will create a nuclear-free zone in Southeast Asia. Another one that is equally important is the agreement on the shortening of, the agreement on the acceleration of the AFTA [ASEAN Free Trade Area] itself. At this fifth ASEAN summit, two important documents will be issued by the leaders. The first one is the Bangkok ASEAN summit declaration [word indistinct] and direction for ASEAN for the next three years. The second document, which is equally important, is the document, which is a report of the foreign ministers and the economic ministers to the leaders. It is expected that with the second document, the foreign ministers and the economic ministers will report to their leaders their review and the recommendations so that the leaders will give directives and policy guidelines for ASEAN in the next three years.

[Wilairat] The director general of the Department of ASEAN Affairs then tells us what Thailand is going to propose in this ASEAN summit meeting.

[Sukhum] The meeting will concentrate in three main areas. 1) political, 2) economic, and 3) functional cooperation. So, as for the political aspect, it was Thailand, which proposed that the theme of the fifth ASEAN summit should be ASEAN towards one Southeast Asia. This theme itself indicates that ASEAN will embrace all the 10 nations in Southeast Asia. The question, therefore, is what are the prospects. I can show you at this point of time that both Kampuchea and Laos are already observers of ASEAN, and at the last annual ministerial meeting of ASEAN in Brunei a few months ago, Myanmar has already indicated its intention to become also an observer of ASEAN. So, [words indistinct], the intention of the three potential members is quite clear that they will like to join ASEAN. As for the economic aspect, Thailand would like the ASEAN members to give support and assistance to potential members — that is Laos, Kampuchea, and Myanmar — in a more concrete manner. And as for the functional cooperation aspect, Thailand has proposed that the importance should be placed on human development. We believe that human resources development will be the most important criteria that will have in the development and growth of ASEAN, whether politically, economically, socially, or environmentally.

[Wilairat] The 5th ASEAN summit will meet on 13 and 15 December this year. Besides that, do we have other meetings?

[Sukhum] We shall have the meetings of various officials, such as the senior officials meeting, the senior economic officials meeting, and the ASEAN directors general meeting. To coordinate the various aspects of ASEAN work, we will also have the joint consultative meeting, that is the joint meeting between the economic and political sides. These will also be preceding the meeting at the ministerial level, which is called the joint ministerial meeting. At the same time, AFTA will again be an important subject. So, it is expected that the AFTA Council will meet on the 10th of December to finalize various measures concerning AFTA. The ASEAN ministerial meeting, or the AMM, is scheduled for 11th, like also the ASEAN foreign ministers on the 11th. [sentence as heard] As I said first, the joint ministerial meeting, that is the meeting between the foreign ministers and the economic ministers will also take place on the 12th. All these works will be in preparation for the 5th ASEAN summit on the 14th and 15th of December. [end recording]

That was Dr. Sukhum Ratsamithat, director general of the Department of ASEAN Affairs, Ministry of Foreign Affairs, giving us information about the preparation on the 5th ASEAN summit meeting to be held at the Royal Orchid Sheraton Hotel and the Oriental Hotel in Bangkok during 13 and 15 December 1995.

Farm Deadlock Overshadows Hopes for Summit

BK0612060695 Bangkok BANGKOK POST in English 6 Dec 95 p 8

[Report by Somphon Thapphanachai and Wichit Sirithawiphon]

[FBIS Transcribed Text] Deadlock over agricultural trade liberalisation in the Association of Southeast Asian Nations (ASEAN) Free Trade Area (AFTA) is casting a shadow over preparations for next week's summit.

Officials from the seven states spent the whole of yesterday trying to break the deadlock over Indonesia's intention to withdraw 15 agricultural products from the free trade programme.

They failed and the issue will now have to be discussed by permanent secretaries or directors-general who meet today and tomorrow for the first round of officially-scheduled preparations for the summit.

Meeting sources said Thailand objected strongly to Indonesia's desire to withdraw agricultural products from the AFTA programme which is supposed to achieve free trade by 2003. The Thai argument is that no one should withdraw products that members had previously agreed would be in the programme.

Sources said Indonesia argued yesterday that it has to provide some protection for rice, sugar and other products in order to stabilise prices. Part of yesterday's debate is said to have focused on whether price stability can be cited under clauses that could allow products to be treated as sensitive if food security or other security issues were affected.

The dispute has been festering all year. It first came to a head when ASEAN economic ministers met in Brunei in September.

It threatens to block agreement on accelerating AFTA and broadening its scope, one of the items proposed for next week's summit declaration.

Originally, Indonesia had proposed listing 14 items such as rice, sugar and soybean as sensitive. In the last few weeks, it has added cloves to the list.

Thai officials, who want Thai agricultural exports to have as much access to other markets as can be negotiated, are said previously to have threatened to withdraw some Thai products from free trade.

Yesterday's meeting was among officials from ASEAN members' agriculture, trade and finance ministries. The dispute was over a document known as "interpretive notes" that accompany the official legal text.

Officials say the issue is further complicated because ASEAN still does not have a method for settling disputes. Without a procedure for dealing with disputes, commitments to achieve free trade have to be taken on trust.

According to accounts that officials gave during the day, Malaysia at first supported Indonesia's arguments.

But after the meeting ended, Kawi Khiriphat, a customs expert at the Thai Finance Ministry, said Malaysia's position "improved" from Thailand's point of view — accepting that products previously committed should not be withdrawn.

According to the official only the Philippines remained siding with the Indonesians, but perhaps adopting a weaker tone.

Some sources predict that only orders from much higher up, perhaps from presidents or prime ministers, could settle the deadlock.

While Thailand has always been an aggressive advocate of free trade in agriculture Indonesia, the Philippines and to a lesser extent Malaysia, have adopted policies of self-sufficiency in rice and other food products.

Exporters Sell Rice to Government for Iran

BK0612111095 Bangkok BANGKOK POST in English 6 Dec 95 p 24

[Report by Somphon Thapphanachai]

[FBIS Transcribed Text] Twenty-three rice exporters have agreed to sell 24,000 tons of rice to the Government even if it means losing money in hopes of obtaining more lucrative government rice deals in the future.

The Foreign Trade Department announced last Friday that it would buy 28,000 tons of 100 percent white rice to ship to Iran. The purchase, at 9,256 baht per ton, would fulfill its contract to sell 200,000 tons of rice.

This is the second time within a month that the department has sought to ship rice on an emergency basis as requested by Iran's ambassador.

A source in the Rice Exporters Association said the exporters expect to lose money but they need to cooperate with the Government; otherwise, they may miss out on assistance or opportunities in the future.

Thailand's contract with Iran stipulated a price of US $293.50 a ton but the market price of 100 percent white rice is now higher than $400.

The source said the exporters had been told that the Government would offer them incentives the next time it received an order for rice on a government-to-government basis .

This order could come soon from the Philippines, which is experiencing a shortage and is expected to ask for at least 200,000 tons of 35 percent white rice. Filipino officials will visit Bangkok next week to negotiate a deal.

Deputy Prime Minister Amnuai Wirawan met recently with Philippines President Fidel Ramos at the Asia Pacific Economic Cooperation (APEC) summit. Dr Amnuai said at the time that Thailand was ready to help the Philippines solve its rice shortage.

Discussing the Iran order, a department source said Thanaphon Chai Rice agreed to sell the biggest amount, 3,500 tons, followed by Capital Rice (3,000 tons), Laemthong Rice and Saengthong Rice (2,000 tons each). Two other companies will sell 1,500 tons each, four have offered 1,000 tons each and the other 13 exporters 500 tons each.

The exporters' source said the price of rice had increased by 130-150 baht a ton during the period between the first and second announcements of purchases for Iran. However, the Government is offering only 70 baht a ton more for the second purchase, and exporters risk losses unless they have stockpiled some rice.

The price of paddy is now about 4,500 baht per ton, which is considered high and is making it hard for the Government to sell rice to other countries. The Philippines and Iran have also approached India for rice deals because Indian rice is cheaper than Thailand's, although the quality is lower.

In early November, the department proposed to buy 50,000 tons of 100 percent white rice at 9,186 baht per ton, but many exporters balked at the price and only 22,000 tons were offered for sale.

The source said one ship containing 17,500 tons of rice would arrive at Bangkok Port to ship Thai rice to Iran next week. Another one will reach Thailand later this month.

Rice Export Cooperation With Vietnam Urged

BK0612094195 Bangkok BANGKOK POST in English 6 Dec 95 p 24

[Report by by Saman Suttho]

[FBIS Transcribed Text] Hanoi — Vietnam and Thailand, two of the world's largest rice exporters, should adopt a cooperative approach to international sales in order to benefit both countries, a senior Vietnamese official says.

"Since 1991, production of rice in the country has greatly improved. It has resulted in Vietnam changing from being an importer to an exporter of rice," said Ha Dang, a member of the Communist Party of Vietnam Central Committee.

In 1991 Vietnam had to import 500,000 tons of rice for domestic consumption. Today it exports 1.5 million to two million tons of rice a year. Total annual production is about 27 million tons.

Vietnam and Thailand have discussed ways to work together to maximise the benefits of rice exports, but he declined to reveal details.

Mr Ha Dang made his comments to a group of Thai journalists, led by Bandit Ratchawat-anathanin, honorary chairman of the Confederation of Thai Journalists Association, visiting Hanoi last week.

The group later visited Danang, a rich agricultural province in Central Vietnam which has invited Thais to invest in its agro- industry sector.

Le Quoc Khanh, chairman of the People's Council of Danang, said Thai investors have paid less attention to Danang than their counterparts from other countries.

The Thai presence in the province is limited to a single Thai- Vietnamese joint venture to produce agricultural products for export. All told, there are 37 projects representing about US $500 million in Danang, said Mr Khanh.

Several projects in sectors such as fishery, forestry and farming, should interest Thai investors, he said. Almost 70 percent of Vietnam's 70 million people work in the agricultural sector.

Other countries with major investments in Danang are the United States, Korea and Taiwan. The US is involved in several large projects, including a $240-million tourist complex on the Danang coast. It will include hotels, a yachting pier and other facilities.

To keep pace with economic growth, Danang plans a huge investment to develop a new port to handle cargo volumes that are expected to increase to 15-20 million tons per year, from about two million tons today.

Danang is forecast to achieve economic growth of about 11 percent this year, compared with 9.8 percent last year.

Association Supports Press on 'Scandal'

BK0612051095 Bangkok BANGKOK POST in English 6 Dec 95 p 1, 3

[Unattributed report]

[FBIS Transcribed Text] The Reporters' Association of Thailand (RAT) yesterday announced its support for the Press which dutifully reported the Kockums submarine scandal in a straightforward and honest manner.

Prime Minister Banhan Sinlapa-acha who accused the Thai Press of sensationalising the story will today be asked by a Chat Thai executive to send legal experts to Sweden to probe the allegation the party received a political donation to help Kockums win a submarine contract with the Thai Navy.

The RAT's support for the Press is in direct response to the Chat Thai Party's litigation against SIAM POST and Mr Banhan's claim the Press sensationalised the scandal.

The RAT yesterday said the Press had merely performed its duty to inform the public about the activities of the country's political leaders.

"Such performance of duty is in line with the professional principle, that is to report straightforwardly, honestly and in transparency with adherence to public interest," the RAT said in a statement adding that the Press does not harbour malicious intentions against the Government.

The Press had tried to check the facts and cross-check with the original source of the accusation and, at the same time, had given opportunities to those implicated to make clarifications, the RAT said.

The RAT also urged the Press to carry out their duty without fear of reprisal.

Prime Minister's adviser Burin Hiranburana said he would urge the Premier to ask the Swedish government to check if Kockums, a Swedish shipbuilder, had made any transfers of money which could have been intended for senior Chat Thai members to enhance its chances of winning a contract to supply two submarines to the Navy.

Mr Burin said a letter containing his recommendations will be forwarded to Mr Banhan during the parliament meeting today.

He said that instead of concentrating on denying press reports on the allegations, the Government should send the party's legal experts, who may include Yasothon MP Phiraphan Phalusuk, to Sweden on a fact-finding mission.

They may be accompanied by Thai reporters, he said.

In Sweden, the legal experts, with assistance from the Foreign Ministry, can meet Henrik Westander, an arms researcher of the Swedish Peace and Arbitration Society, who wrote the article that contained the allegations Kockums had given Chat Thai political donations in order to boost its chances of winning the submarine procurement contract.

In the letter, Mr Banhan will also be urged to ask the Swedish government to check if Kockums transferred money to Thailand during the time leading up to the July 2 election when the deal allegedly took place.

"It's no use arguing about the allegations because the public would continue to have suspicions about the Government's conduct," said the Sa Kaeo MP.

He cited the bribery scandals in South Korea, where two former presidents were accused of taking bribes. It was found in subsequent investigations that money for bribery was transferred to the country.

Mr Burin said he personally did not want the party to quarrel with newspapers over the allegations.

Meanwhile, informed political sources said the Prime Minister's personal advisers including Finance Minister Surakiat Sathianthai and PM's deputy secretary-general Wirasak Khowsurat sent a letter to Mr Banhan on Monday, proposing ways to clear up the allegations.

In the letter, the advisers asked Mr Banhan to study Swedish law to see if it would be possible to sue Mr

Westander and to ask the Swedish government to check Kockums' money transfers.

"The matter has turned into a hot political issue, and not an ordinary criminal case so we have to solve the problem by proving our innocence," the source said.

"It would be useless to win a libel case against a Thai newspaper while history would be written in a way that the 21st prime minister was accused of taking bribes over the planned purchase of submarines but was not able to clear himself."

Mr Westander yesterday reiterated his call for Mr Banhan to officially ask the Swedish government to help investigate the allegations.

Mr Westander repeated the call in a five-page letter sent to newspapers in Thailand.

He said it was unlikely that the Swedish government would start its investigation unless it was urged or pressed to do so by the Thai Government.

Recalling the story he wrote in 1986 against Bofors, a sister company of Kockums (both have the Swedish Celsius as parent company), in which the former was suspected to have paid bribes to win a major arms contract with the Indian government, Mr Westander said clarity had been made the issue because the Indian government had officially asked their Swedish counterpart to conduct a thorough investigation.

He said it was compulsory for all Swedish companies to notify the Bank of Sweden of their money transfers if it was beyond the limit allowed by the government.

Mr Westander said he is certain the Bank of Sweden would have a record of the amount of money transferred by Kockums to Thailand during the first half of 1995, the period when he was told that payments were made to senior Chart Thai members for political expenses before the last general election.

He said Kockums had already denied requests by Swedish journalists to make public its payments in 1995.

Vietnam

'State Project Evaluation Council' Established

BK0512133195 Hanoi VNA in English 1235 GMT 5 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec. 5 — Cabinet Minister Dau Ngoc Xuan will head a new state body that will advise the prime minister on major investment projects.

The prime minister's decision to set up the new government agency called the State Project Evaluation Council was made public on Dec. 2.

Former Chairman of the State Committee for Cooperation and Investment (SCCI) Dau Ngoc Xuan will be the president of the State Project Evaluation Council.

The council will be staffed by several members who are either ministers or deputy ministers of the Planning and Investment, Finance, Construction, Commerce, State Bank, and Science, Technology and Environment Ministries.

Xuan is responsible for inviting experts from relevant sectors and senior officials of the provincial People's Committees where projects are to be located to coordinate their efforts in evaluating project feasibility studies.

The Project Evaluation Council is also responsible for organising the evaluation process and determining the viability of a project before submitting it to the prime minister for approval.

The council is authorised to request project employers to provide sufficient documents to facilitate its evaluation process. It is also entitled to invite domestic and foreign experts to join it in the presentation of project documents.

Commentary Hails Bilateral Ties With Thailand

BK0512150895 Hanoi Voice of Vietnam in English 1000 GMT 5 Dec 95

[Station commentary]

[FBIS Transcribed Text] On 5 December every year, Thai people jubilantly celebrate an important event of the country; that is, both the birthday of King Phumiphon Adunyadet and National Day. Here is our comment:

This year Thai people are celebrating the king's 68th birthday and National Day amid celebration for Thai economic development and national construction. According to the Thai ambassador to Vietnam, Mr. Chaloemphon Ek-uru, the annual economic growth rate of Thailand in recent years has reached from 8 to 9 percent. Inflation is controlled at 4 percent. Last year Thailand achieved a per capita GDP of $2,400. Industrial productivity and stock value increased by 70 percent. It is expected that export turnover will be $52,000 million. Many Thai exports have been much sought after in international market, such as readymade clothes, jewelry, and seafood. These achievements have made Thailand's economy developed and stable, thus improving Thailand's international and regional prestige. This is also the reason why Thailand was chosen as the venue of the Fifth ASEAN Summit and the 18th Southeast Asian Games. These are all the proud reasons for Thai people to celebrate on 5 December.

Relations between Vietnam and Thailand in recent years have positively developed. The two countries have closely cooperated in economy, trade, and investment. Bilateral trade cooperation has been improving. Many Thai businesses have invested in Vietnam's tourism, processing industry, and consumer industry. On the first step of bilateral ties, the Thai ambassador to Vietnam said: I believe that after Vietnam becomes a full member of ASEAN, bilateral cooperation will further expand, especially trade relations. Investment cooperation may double. At present, Thailand plans to promote trade and investment cooperation through different forms such as setting up Indochinese Development Fund; construction of large roads linking Thailand, Savannakhet of Laos to Danang of Vietnam, and Bangkok-Phnom Penh-Ho Chi Minh City. When completed, the roads will facilitate the flow and exchange of investment and trade between the two countries. Such a plan, when turned into reality, will contribute to strengthening bilateral relations and regional cooperation.

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